



**MAPS**

Methodology for Assessing  
Procurement Systems

# ASSESSMENT OF TANZANIA PUBLIC PROCUREMENT SYSTEM

2025





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Procurement Systems

## TANZANIA

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# Assessment of the Public Procurement System

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# Acronyms

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AO	Accounting Officer
APER	Annual Performance Evaluation Report
APP	Annual Procurement Plan
ASC	Assessment Steering Committee
BDS	Bid Data Sheet
CAG	Controller and Auditor General
CAST	Conflict Assessment System Tool
CCM	Chama Cha Mapinduzi
CPAR	Country Procurement System Assessment
CPI	Corruption Perceptions Index
CSO	Civil Society Organization
CTB	Central Tender Board
DRP	Debt Relief Programme
EAC	East African Community
EBP	Executive's Budget Proposal
e-GP	Electronic Government Procurement
EIA	Environmental Impact Assessment
EMA	Environmental Management Act
e-PP	Electronic Public Procurement
ES	Ethics Secretariat
FDI	Foreign Direct Investment
FIU	Financial Intelligence Unit
FSI	Fragile States Index
FYDP	Five-Year Development Plan
GCC	General Conditions of Contract
GDP	Gross Domestic Product
GN	Government Notice
GNI	Gross National Income
GoT	Government of Tanzania
GPN	General Procurement Notice
GPSA	Government Procurement Service Agency
HIPC	Highly Indebted Poor Countries
IAG	Internal Auditor General
ICB	International Competitive Bidding
IDP	Internally Displaced Person
IMF	International Monetary Fund
ITT	Instruction to Tenderers
LGA	Local Government Authority
LMIC	Lower-Middle-Income Country
LTPP	Long-Term Perspective Plan
MAPS	Methodology for Assessing Procurement Systems
MDAs	Ministries, Departments, and Agencies
MDRI	Multilateral Debt Relief Initiative
MKUKUTA	National Strategy for Growth and Reduction of Poverty ( <i>Mkakati wa Kukuza Uchumi na Kupunguza Umaskini</i> )



MoF	Ministry of Finance
MoFP	Ministry of Finance and Planning
MSD	Medical Stores Department
MSMEs	Micro, Small, and Medium Enterprises
NAO	National Audit Office
NCB	National Competitive Bidding
NeST	National e-Procurement System of Tanzania
NPS	National Prosecution Services
OAG	Office of the Attorney General
OCDS	Open Contracting Data Standard
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
PBG	Plan and Budget Guidelines
PCA	Prevention of Corruption Act
PCCB	Prevention and Combating of Corruption Bureau
PE	Procuring Entity
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PFMRP	Public Financial Management Reform Program
PMIS	Procurement Management Information System
PMU	Procurement Management Unit
PPA	Public Procurement Act
PPAA	Public Procurement Appeals Authority
PPP	Public-Private Partnership
PPPA	Public-Private Partnership Act
PPPD	Public Procurement Policy Division
PPR	Public Procurement Regulation
PPRA	Public Procurement Regulatory Authority
PRSP	Poverty Reduction Strategy Paper
PSPTB	Procurement and Supplies Professionals and Technicians Board
PST	Permanent Secretary Treasury
R.E.	Revised Edition
SADC	Southern African Development Community
SAP	Structural Adjustment Program
SBD	Standard Bidding Document
SC	Steering Committee
SCC	Special Conditions of Contract
SDGs	Sustainable Development Goals
SGR	Standard Gauge Railway
SMEs	Small and Medium Enterprises
SPN	Specific Procurement Notice
SPP	Sustainable Public Procurement
STD	Standard Tender Document
TANePS	Tanzania National e-Procurement System
TB	Tender Board
TDV	Tanzania Development Vision
TEMESA	Tanzania Electrical, Mechanical, and Electronics Services Agency
TI	Transparency International



TPA	Tanzania Ports Authority
TPPR	Transparent Public Procurement Rating
TSDP	Tanzania Sustainable Development Platform
UNCITRAL	United Nations Commission on International Trade Law
URT	United Republic of Tanzania
WOIs	Watchdogs and Oversight Institutions





# Executive Summary

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## Background

**The assessment of the public procurement system in Tanzania based on the Methodology for Assessing Procurement Systems (MAPS)** was carried out from December 2023 to June 2024, at the initiative of the Government of Tanzania (GoT) through the Ministry of Finance and Planning (MoFP). The GoT aims at developing a reform plan for building a sustainable, effective, and efficient public procurement system. Using the second version of the MAPS tool, the analytical work assesses strengths, weaknesses, and gaps in the system; benchmarks it with international practices; and provides recommendations for its improvement. In particular, it looks into the sustainability aspects, including net zero, the key reasons for the delay in procurement and possible mitigation measures to ensure better efficiency, and the current legal framework supporting professionalization and capacity development.

**The Concept Note was reviewed and cleared by the World Bank Management on October 31, 2023, and subsequently by the MAPS Secretariat and Assessment Technical Advisory Group (ATAG) on April 15, 2024.** It was also endorsed by the MAPS Assessment Steering Committee (ASC) on February 29, 2024. The MAPS report was subject to the validation of the Steering Committee (SC) on May 23, 2024. It was also subject to the World Bank's Decision Meeting on June 24, 2024. The government's final endorsement was obtained on January 28, 2025, and the MAPS ATAG final clearance was obtained on February 19, 2025. The process of review and validation is summarized in Chapter 6.

**MAPS envisages the review of the public procurement systems based on four main pillars:** (i) Legal, Regulatory, and Policy Framework; (ii) Institutional Framework and Management Capacity; (iii) Procurement Operations and Market Practices; and (iv) Accountability, Integrity, and Transparency of the Public Procurement System. Based on MAPS, the assessment is aimed at identifying the strengths and the weaknesses of the public procurement system in Tanzania Mainland with the scope of providing recommendations for improvement. It also identifies the priority areas of intervention to address the identified gaps, the associated objectives, and the action plan with measurable targets.

## Country Context

**Tanzania is a lower-middle-income country, with a gross per capita of US\$1,099 as recorded in 2021.<sup>1</sup>** An estimated 28 percent of Tanzanians live below the poverty line in a country that recorded a gross national income (GNI) per capita of TZS 2,577,967 (US\$1,080) in 2019, giving it a lower-middle-income country status. At about 17 percent of gross domestic product (GDP), total public spending in Tanzania is below the average for Sub-Saharan Africa (18 percent), low-income countries (21 percent), and lower-middle-income countries (28 percent).

**Despite progress made by Tanzania since 2017 on several governance indicators, particularly on the 'control of corruption' and 'political stability' where it ranks above most countries in the region, corruption remains a huge challenge.** Tanzania scored 40 points out of 100 on the 2023 Corruption Perceptions Index reported by Transparency International (TI). On the other hand, the 2021 Ibrahim Index of African Governance Index Report<sup>2</sup> ranks Tanzania well among its Africa peers on governance at a broad

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<sup>1</sup> Tanzania World Bank Data at <https://data.worldbank.org/country/TZ>.

<sup>2</sup> <https://mo.ibrahim.foundation/sites/default/files/2020-11/2020-index-report.pdf>.



level (21st out of 54 in Africa), higher than the African average (48.9) or the regional average for Eastern Africa (46.0). However, there has been a slight decline in the scoring on safety and rule of law which encompasses dimensions that affect the public procurement system, such as accountability and transparency.

**Past public financial management (PFM) reforms have led to significant achievements, but continuing weaknesses in core aspects threaten to undermine the value of the improvements achieved.** Most notably, the rollout of electronic revenue collection systems has contributed to an increase in nontax revenue collection by 350 percent over the past five years. Other notable reforms include the adoption of a treasury single account, the rollout of expenditure management systems, the introduction of electronic procurement systems, the development and rollout of the central budget management information system and strengthened parliamentary oversight functions. However, the lack of a reliable, credible annual budget, a weak control environment, and deficiencies in the transparency in the financial reporting of public institutions remain the biggest threats to the Tanzania Mainland PFM system according to the most recent Public Expenditure and Financial Accountability Report for Mainland Tanzania (PEFA 2022)<sup>3</sup>. Further, inefficiencies in financial management and inadequate transparency, as well as inadequate capacity in following-up and monitoring the implementation of audit findings, have impeded developments in accountability.

**Tanzania's most urgent reform priorities include measures to improve efficiency and effectiveness of expenditure programs and boost tax revenue mobilization.** Tanzania's National Development Vision 2025 and Five-Year Development Plan (FYDP) III both reference the need for reliable PFM systems. Furthermore, the Zanzibar Development Vision 2050 identifies effective PFM as a priority with a focus on domestic revenue mobilization.

## Public Procurement in Tanzania

**Tanzania has been making continued efforts to bring a systemic change to its public procurement framework for over a decade.** About 70 percent of the annual budget of Tanzania, or US\$13 billion, is spent through public procurement (NAOT 2020).<sup>4</sup> Following the recommendations of the Country Procurement Assessment Report (CPAR) 2003 and Assessment of the Country's Procurement System conducted in 2007, the GoT enacted the Public Procurement Act (PPA) 2004, which fully decentralized procurement functions to the procuring entities (PEs). Public procurement is a nonunion matter, and the Mainland and Zanzibar have separate public procurement frameworks. At the time of the assessment, the public procurement of the Tanzania Mainland was governed by the PPA of 2011 Cap 410 (as amended 2016) and the Public Procurement Regulations (PPRs) Government Notice (GN) No. 446 of 2013 (as amended in 2016). A new PPA (PPA 2023) entered into force on June 17, 2024. The public procurement of Zanzibar is governed by the Public Procurement and Disposal of Public Assets Act 2016 (PPDPAA) and the Public Procurement Regulations 2021.

**In Tanzania Mainland, five institutions carry out the main functions of the public procurement system:** (a) the Public Procurement Policy Division (PPPD), established under the Ministry of Finance (MoF), with the responsibility to develop and monitor procurement policy; (b) the Public Procurement Regulatory Authority (PPRA) which regulates and monitors procurement activities conducted by PEs; (c) the Public

<sup>3</sup> <https://www.pefa.org/node/5062>

<sup>4</sup> [https://www.nao.go.tz/uploads/monitoring\\_and\\_enforcement\\_of\\_public\\_procurement\\_activities.pdf](https://www.nao.go.tz/uploads/monitoring_and_enforcement_of_public_procurement_activities.pdf).



Procurement Appeals Authority (PPAA) mandated to hear and determine appeals and complaints from bidders who are not satisfied with the decision of the PE; (d) the Procurement and Supplies Professionals and Technicians Board (PSPTB) established to regulate and develop the procurement cadre and monitor the conduct of procurement and supplies professionals in the country; and (e) the Government Procurement Service Agency (GPSA) which coordinates and manages the procurement of common-use goods and services.

**PPRA has developed and rolled out a new electronic government procurement (e-GP) system, the National e-Procurement System of Tanzania (NeST), on July 1, 2023.** It is managed by PPRA and is mandatory for all PEs, with some exceptions provided by legislation. The GoT has recently amended the PPA to make the use of NeST mandatory in the Tanzania Mainland, without exceptions. NeST replaced the previous Tanzania National e-Procurement System (TANePS) introduced in 2018, which could not adequately achieve the desired efficiency and transparency in public procurement due to a lack of key functionalities. Currently, the 1,147 PEs registered in NeST have awarded approximately 20,800 contracts since its introduction on July 1, 2023. A total of 19,300 firms have already accessed public procurement through NeST, out of which 96 percent represent the national market. As of April 2024, the number of planned tenders in NeST reached 77,595 with an estimated total value of TZS 30.12 trillion.

**The new PPA adopted in 2023 emphasizes the use of procurement arrangements with the objective of delivering value-for-money outcomes in Tanzania.** PPA 2023 also establishes a framework for procurement by public entities which operate as commercial enterprises (that is, state-owned enterprises). The new law extends its scope to include supply management functions, such as guidelines for assets management, distribution of goods and supplies, and overall responsibility of PEs in managing goods, supplies, or assets. The PPA 2023 entered into force on June 17, 2024. The newly passed law was enacted in the Kiswahili language, with an official English translation expected to be issued within 90 days from the date of operationalization.

**Given that PPA 2023 and its regulations were adopted soon after this assessment was completed, the assessment of the Tanzania public procurement legal framework was based on the legal framework in force at the time, but it also included a review of some of the major changes brought by the new law.** Therefore, the assessment included the review of the PPA 2011 (Cap 410 Revised Edition [R.E.] 2022) (PPA) and the PPRs (GN. No. 446) of 2013 (PPR) as well as the changes from PPA 2023 and its regulations which would affect the findings and recommendations from the existing legal framework. These changes are reflected in the respective assessment criteria and accordingly considered in the gap analysis. A summary of the major changes introduced by the new is provided in Chapter 7.

## **Strengths of the Public Procurement System**

**The public procurement legal framework in Tanzania is designed to encourage competition and value for money.** It largely complies with international obligations and achieves the principles of integrity, competition, accountability, economy, efficiency, transparency, and value for money as mandated by the 2011 PPA, as modified and supplemented by its PPR and other instruments, such as ministerial orders, guidelines, and circulars. The legal framework regulates procurement of works, goods, consulting, non-consulting services, and public-private partnerships (PPPs) under a clear and hierarchical legal structure. The functions for undertaking contract management are clearly defined and responsibilities are clearly stated under the current PPRs and regulated by the new PPA adopted in 2023. All PEs in Tanzania are



required to publish all procurement opportunities in NeST and the sample analysis showed that this is generally the case. The PPA and its regulations provide for both competitive and less competitive methods of procurement; however, competitive tendering is the default procurement method. Participation of state-owned enterprises is allowed under certain conditions specified by the legislation. Standard Bidding Documents (SBDs), including contract conditions, are developed by PPRA and available through NeST to all users; their level of detail varies according to the nature and complexity of the procurement. The legal framework allows the use of price and non-price attributes and/or the consideration of life-cycle cost as appropriate, to ensure objective and value-for-money decisions, however, there are no procedures for evaluation of non-price attributes other than including them as qualification criteria and compliance specifications in procurement of goods, works and non-consulting services. The PPA and PPR require the use of a combination of price and non-price factors in evaluating proposals for consulting services, and clear procedures and methodologies for assessment of technical capacity are defined, however such criteria are rarely used in procurement opportunities. The legal framework provides bidders the right to challenge decisions issued by the PE which may be appealed to the PPAA or the High Court of Tanzania if aggrieved by the PPAA decision.

**The institutional framework for public procurement in Tanzania is well established, an e-procurement system is in place, and the country public service recognizes procurement as a profession by establishing a professional board covering both procurement and supplies professionals.** The public procurement system is integrated with the PFM system, and its roles and responsibilities are clearly defined and assigned. The PPR sets the requirement for fund allocation or commitment by the PEs before the commencement of procurement proceeding and includes clear provisions for procurement planning and mechanisms for payment. NeST, introduced in 2023, was designed to facilitate e-registration, e-tendering, e-contract management, e-payment, e-catalogue, and e-auction, however, not all were operational at the time of the assessment.<sup>5</sup> NeST captures and stores data along the workflow process and maintains the audit trail and logs in the system for the data integrity, non-repudiation, and reliability. A lot of information is auto-populated following its integration with the e-services of different government institutions. With the new PPA 2023, all public bodies using public funds, without exception, are required to use NeST. The country public service recognizes procurement as a profession by establishing the PSPTB in 2007 through the Act of the Parliament No. 23. A division responsible for capacity development and advisory services on procurement-related issues and a helpdesk were established at the PPRA level and a Capacity-Building Strategy has been developed.

**The public procurement system performs well on some aspects of the procurement process.** Most of the PEs comply with the requirement of using the standard tender documents prepared by PPRA. The sample analysis shows that the process was conducted in full compliance with bidding documents and publication requirements in 92 reviewed cases (out of 100 analyzed). Competitive tenders are generally preferred, and competition levels look adequate. Works contracts and goods tend to receive more interest from the market (with an average of 6.6 bids for works and 6.9 bids for goods). Both international and national competitive tendering processes are also well received by the market, with an average of

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<sup>5</sup> E-registration and e-tendering are fully operational. Contract creation is operational, and contract vetting is completed awaiting training delivery, however contract management module is under development with e-payment expected to be completed by January 2025. Appeal and complaint management modules are completed, and training is ongoing. Compliance auditing is completed and in use and templates have been developed.



about eight bids. About 71 percent of the firms that responded to the survey appreciate that there are no major systemic constraints inhibiting the private sector's access to the public procurement market. However, they have also noted some constraints, which are highlighted in the next section.

**The public procurement legal framework provides an enabling environment for public consultation and monitoring.** A consultative approach is embedded in the general legislative process of Tanzania and followed when formulating changes to the PPA and regulations. The procurement laws, regulations, and other operational instruments are publicly available on the PPRA website, whereas the public procurement opportunities can be accessed in real time in NeST by any interested party. The legal framework also creates the basis for building the capacity of stakeholders involved in the public procurement matters, including civil society organizations (CSOs), and it is PPRA's role to ensure that programs are developed and implemented.

**A comprehensive legal framework governing the internal and external control system, and an effective procurement appeals system are in place.** The public procurement laws and regulations establish a comprehensive control framework, including internal and external audits, and recognize the National Audit Office (NAO) as the supreme audit institution. There is a clear mechanism for internal control and audit to ensure oversight in procurement, and there are written procedures, manuals, and standard operating procedures designed to be used by the internal and external auditors. There is evidence that internal audits are carried out on quarterly basis based on the identified risk areas while the external audits are carried out at least annually. In terms of complaints and appeals, there is a two-tier system in place, including an independent appeal body, PPAA, procedures are clear and publicly available, and reasonable fees are charged.

**The PPA and the Prevention of Corruption Act (PCA) provide a solid foundation for preventing corruption and ensuring compliance in procurement processes,** supplemented by other measures such as the Code of Ethics and Conduct for Public Officers and Bidders Engaging in Public Procurement, mandatory for both groups. The procurement legal framework provides legal definitions of the prohibited practices in public procurement, including fraud, coercion, collusion, and corruption, as well as conflict-of-interest provisions. It also includes clear definitions of individual responsibilities and accountability as well as penalties for government employees and private firms or individuals found guilty of fraud, corruption, or other prohibited practices in procurement, without prejudice of other provisions in the criminal law.

**The country has in place a comprehensive institutional anti-corruption framework and a National Anti-Corruption Strategy and Action Plan.** Anti-corruption activities are reported on a quarterly basis and the Preventing and Combating of Corruption Bureau (PCCB) publishes statistics of complaints received, investigations, and prosecutions each quarter. PCCB has secure, accessible, and confidential channels for reporting cases of fraud, corruption, or other prohibited practices or unethical behavior. The public is educated on the evils of corruption and the protection of whistleblowers and witnesses and is encouraged to report acts of corruption via different channels, such as the 113 toll-free number, the PCCB website, letters to the Director General, emails, or nearest PCCB Offices.

## **Main Challenges**

**There is limited consideration for sustainable public procurement in support of broader national policy objectives.** The 2023 PPA introduces provisions recognizing the need for sustainable procurement



considerations, indicating a legislative commitment to sustainability, and foresees the requirement for PEs to set aside 30 percent of the annual procurement budget to special groups. Green public procurement is however not covered by the current framework, despite a general requirement that every person living in Tanzania safeguards and enhances the environment and informs the relevant authority of any activity and phenomenon that may affect the environment significantly. The sustainable public procurement (SPP) policy is still not in place and systems, implementation tools, including the monitoring and evaluation framework have not been yet developed, therefore the operationalization of sustainable public procurement in Tanzania is still pending.

**The disbursement constraints and late payments to suppliers, service providers, and contractors have been major setbacks for the effective implementation of the planned procurements.** Although the requirements are identified in the annual procurement plans, budget is planned, and funds are allocated, the disbursement of funds was not observed. Even though clear mechanisms for payments are in place, timely payment of invoices has been a major concern to suppliers, service providers, and contractors (delays in payment is also one of the issues highlighted by the survey results). This may be due to bureaucratic approval processes which involve multiple stakeholders which delays the payment processing process and results in government delays in disbursing funds to the procuring entities. Due to delays in payments, interest charges have been claimed and paid by the implementing agencies as being evidenced through the Controller and Auditor General (CAG) audit reports. As NeST is currently not interlinked with the budget and accounts systems, it is difficult to have a comprehensive overview of the contract implementation status and funds disbursement.

**The assessment noted challenges and constraints in performing monitoring and control functions effectively.** PPRA carries out periodic monitoring of the compliance with the PPA through procurement audits, investigations, and analysis of the quarterly internal audit reports submitted by PEs. However, only 23 percent of the total registered PEs were audited by PPRA in FY2022/23 and the current mechanisms used by PPRA to access the quarterly internal audit reports prepared by the PEs proved inefficient. At the same time, although NeST, Tanzania's e-procurement system, was designed in line with modern systems, important features which enable performance monitoring of the public procurement system are missing. NeST has the capacity to capture and store information in Open Contracting Data Standard (OCDS) format. However, it is not published in machine-readable format and there is no option to download and view the data in machine-readable format. In addition, the assessment could not establish the actual use of the e-procurement system due to unavailability of data or statistical reports because NeST was introduced less than a year prior to the assessment. It was also noted that the third-party system audit has not yet been carried out to identify the system vulnerability and risks to take appropriate risk mitigation measures. system audit has not yet been carried out to identify the system vulnerability and risks to take appropriate risk mitigation measures.

**The PEs generally comply with legal provisions and provided guidelines, including templates; however, the assessment revealed inadequate or inefficient practices during the public procurement process.** The analysis of the sample contracts shows that the cost estimates do not always reflect prevailing market prices, which result in activities being significantly underestimated or overestimated, which may be due to inadequate needs analysis and market research. In addition, only 2 percent of the PEs complied with the legal requirement of setting 30 percent of their annual procurement to special groups. The sample review focused mostly on competitive tenders, whilst the single source procurement amounts to about 23 percent of the total estimated value of the analyzed sample. Delays have been noted in the selection





and award of tenders for several selection methods or procurement categories. According to the sample analysis, the average time to award (from invitation to bid to contract signature) for consultancy contracts and international tenders is more than 300 days. Most of the time is spent on evaluating the bids. Consulting services take about 274 days to evaluate; the evaluation of international competitive bidding procedures is done within an average of 213 days, whereas the duration of the evaluation process for national competitive procedures is 187 days on average. However, the average tendering time (from invitation to submission of bid) for all reviewed bidding processes took about 40 days (the average tendering time for works contracts is 49 days). The short duration of the tendering (bidding) stage is one of the three main issues experienced by the private sector representatives during the bidding process, as noted by the survey results. The assessment also revealed issues with the record management, as only 47 percent of the total sampled contracts had complete and accurate records while the remaining percentage the records are available with some few setbacks which require improvement.

**Although majority of the private sector respondents believe there are no systemic constraints inhibiting their access to the public procurement market (70.9 percent), they point out several difficulties during the main stages of the procurement process.** The main issues firms face with the tender documents are that cost estimates do not reflect the market conditions, biased qualifications and requirements, and unbalanced contract terms are used. Firms also consider that preparing the bid takes too much effort, both the administrative requirements and the technical content, and the time allowed to prepare the bid is too short. PPRA's audit results point to the challenges that some PEs have during the preparation of tender documents; the audit results for FY2021/22 indicate that tender documents were inadequately prepared by 31.8 percent of the audited institutions. The main challenges faced by firms during contract implementation are the delays in payments, due to lack of access to bank loans and lack of funding to complete a contract. PPRA's audit results also show repetitive cases of delays in the completion of contracts, including delays in providing access to the site, due to inadequate designs, or delays in processing advance payments.

**PPRA has limited capacity to audit all PEs in Tanzania, and the existing monitoring and reporting mechanisms are inadequate to ensure full compliance with audit recommendations within the prescribed time frames.** Implementation of audit recommendations is limited and compliance with the established time frames for responding to and implementing audit recommendations as stipulated in the law is challenging. There is also a lack of data regarding the number of training courses for internal and external auditors in procurement audit and the share of auditors trained in public procurement audit.

**Private sector representatives are not as confident in the effectiveness of the complaint and appeal system.** Although the legal framework provides a robust public procurement appeals system, survey results from the private sector and CSO stakeholders indicate that 42 percent of the respondents do not consider the system to be trustworthy and 41 percent were never satisfied with the appeals decisions. The assessment revealed that there is no monitoring and evaluation of the decisions issued by the PPAA and no mechanism for tracking implementation of the PPAA's decisions by PEs which will be addressed by enhancing NeST monitoring functionalities through appeal and complaint module. A complaint and appeal management module has been developed and will be operational in NeST once the new procurement law becomes effective. The module is not full-fledged to issue notifications, track whether decisions are rendered timely and monitor implementation decisions issued by the appeals authority. The notification will enhance transparency by registering the number of complaints in the public procurement process.



**A significant challenge is the implementation and coordination of anti-corruption efforts across the watchdogs and oversight institutions (WOIs)** despite the robustness of the legal framework in upholding ethics and anti-corruption in public procurement. The survey results also showed that both private sector representatives (66.4 percent) and CSOs (51.4 percent) are not confident in the effectiveness of the anti-corruption measures. While there is a mechanism in place for identifying corruption risks during PPRA's audits, there are gaps in effectively and proactively identifying and mitigating these risks by the PEs across all stages of the procurement process. Similarly, substantive gaps have also been revealed in the level of citizen engagement in the procurement process, particularly in terms of social audit and control. As a result, there is limited awareness of available channels for engagement, a lack of capacity-building initiatives, and insufficient promotion by the government.

## **Strategic Priorities**

The assessment identifies a series of priorities which are grouped around **four focus areas** and **associated specific objectives** to address the main gaps identified above:

- **Focus area 1: Sustainable Public Procurement (SPP)** - Develop, promote, and implement SPP to ensure green, social, and economic benefits.
- **Focus area 2: Public Procurement Cycle** - Improve the effectiveness and efficiency of the public procurement cycle.
- **Focus area 3: Monitoring and Oversight** - Ensure the efficiency and effectiveness of the public procurement system through the effective use of data and the strengthening of monitoring and oversight functions.
- **Focus area 4: Sustainable Capacity Development** - Develop the capacity, capability, and integrity of procurement officials and other stakeholders to support the achievement of all other objectives.

The actions envisaged to attain these objectives under each focus area are further detailed below.

### **1. Sustainable Public Procurement**

Sustainable procurement is essential for ensuring the delivery of value-for-money outcomes. The implementation of sustainable procurement arrangements has been a challenge in many countries where the compliance with the legislative framework and getting the lowest price are the focus of the PEs. Although the concept of SPP is covered by the legislation in Tanzania, there is a need to further develop, promote, and implement SPP to ensure green, social, and economic benefits. The government should ensure that all aspects of SPP are adequately covered by the legislation and the existing procurement laws and regulations ensure full integration of SPP procedures, with specific emphasis on green procurement to achieve net zero. Further development of policy documents and implementation tools (guidelines, bidding documents, and so on) should be considered by the Tanzanian authorities to facilitate the implementation of SPP by PEs. Working with key PEs during the SPP implementation process is a good way of creating best practices and raising awareness among decision-makers and procurement officers about the benefits of sustainable procurement. Monitoring compliance with legal requirements and tracking progress during implementation is important and this can be facilitated by designing a monitoring and evaluation framework and developing the SPP window in NeST. Ensuring the necessary resources for meeting the objective is essential.





## **2. Public Procurement Cycle**

Identifying opportunities to improve the practices used by PEs in all stages of the procurement cycle and removing the bottlenecks in the internal processes and implementation of the procurement legislation is of utmost importance for improving the effectiveness and efficiency of the public procurement cycle and facilitating the access to the public procurement market. One way to do this is by ensuring access to real-time data and information in all stages of the procurement process, from budget allocation and procurement planning to contract implementation and performance review. Expanding the mandatory use of NeST and further developing its functionalities, such as cost estimation, bidders' database, automated bid evaluation, and post-qualification, as well as ensuring its interconnection with the budget and accounts, will facilitate the review of the real-time implementation status in terms of budget utilization of ongoing and finished contracts. Developing a fully flagged complaints and appeals system within NeST is critical to ensure that all complaints are acted upon consistently and decisions are adequately recorded. Increasing the efficiency in average processing time for the procurement cycle should also be envisaged considering the high average duration of the procurement process, from invitation to bid to contract signature, as noted above. A review of the internal practices on procurement planning, selection, award and contract management, including payments to suppliers, of key PEs would provide insights into the main reasons for inefficiency.

## **3. Monitoring and Oversight**

Monitoring and oversight of system performance is essential to ensure that any issues are identified, and further improvement work is properly targeted. Monitoring the operation of the public procurement system at different levels—country, region, or sector—through the effective use of data is key to informing decisions on actions to improve the overall efficiency and effectiveness of public procurement. NeST is key to meeting these objectives by ensuring the publication of data in machine-readable format, implementing a monitoring framework based on key performance indicators and publishing procurement data in data visualization format. This will not only enable the decision-making but also facilitate the access of different stakeholders and CSOs to procurement results and improve transparency and accessibility of procurement information to facilitate greater citizen engagement and participation in social audit and control.

NeST is also key to improving the monitoring and oversight functions by putting in place the right tools and instruments to ensure the effective use of data with a focus on results rather than compliance. This includes developing a procurement audit module to enable internal and external audits; implementing system-generated red flags on irregularities, fraud, or corruption; and facilitating the management of framework agreements. Considering the critical role of NeST in the functioning of the public procurement system, third-party IT system audits should be conducted periodically to identify the system vulnerabilities and risks and ensure the reliability of the system by implementing the appropriate risk mitigation measures.

## **4. Sustainable Capacity Development**

Professionalization and integrity are the foundation of any public procurement system. Tanzania has already taken important steps by recognizing procurement as a profession and setting up a division responsible for capacity development and advisory services on procurement-related issues. Nevertheless, improving the capabilities and skills of procurement officials and relevant stakeholders should continue



to be a priority for the GoT, considering the increased focus on SPP and the challenges around the procurement monitoring and audit. Key measures include implementing targeted awareness and capacity-building programs for all procurement officials and relevant stakeholders on SPP principles, benefits, and practices, capacity-building programs dedicated to women-led businesses and training programs for auditors specialized on public procurement audits. Ensuring the necessary resources to adequately implement the capacity development programs is of utmost importance.

## Key Actions

The action plan presented below includes the priority actions around the focus areas mentioned above, which are key to the improvement of the public procurement system in Tanzania. The following chapters of the report identify supplementary recommendations which may be considered by the government in its plans.

Pillar	Main actions	Priority <sup>6</sup>	Timeline <sup>7</sup>	Responsible institution
<b>Focus area 1: Sustainable Public Procurement: Develop, promote, and implement SPP to ensure green, social, and economic benefits</b>				
Pillar I 3(a): Sustainable Public Procurement (SPP)	1. Develop a strategy and amendments to existing procurement laws and regulations to ensure full integration of SPP procedures with a specific emphasis on green procurement to achieve net zero.	1	Short term	MoF (PPPD)
	2. Develop an SPP policy.	1	Long term	MoF (PPPD)
	3. Develop SPP implementation tools, including, but not limited to, guidelines, bidding documents, and monitoring and evaluation framework, including a guidance note on green procurement.	1	Short term	PPRA
	4. Create an SPP window in NeST to enable compliance monitoring, data tracking, and implementation performance measurement.	1	Medium term	PPRA
	5. Implement SPP in public procurement within a set deadline, starting with a pilot with a few key PEs (phased approach).	1	Short term	PPRA
	6. Carry out a market assessment of the current capacity of women-owned enterprises followed by the implementation of a capacity development program.	2	Long term	PPRA
<b>Focus area 2: Public Procurement Cycle: Improve the effectiveness and efficiency of the public procurement cycle</b>				
Pillar II 4(a): Procurement planning and the budget cycle)	7. Interlink NeST with the budget and accounts and ensure publication of procurement plans to enable automatic calculation of the real-time implementation status in terms of budget	1	Short term	PPRA and MoF (PPPD)

<sup>6</sup> Top priority 1, medium priority 2, and low priority 3.

<sup>7</sup> Short term within one year, medium term one to three years, and Long term more than three years.



Pillar	Main actions	Priority <sup>6</sup>	Timeline <sup>7</sup>	Responsible institution
	utilization of ongoing and finished contracts.			
	8. Enforce the legal requirement of mandatory use of NeST and remedies for all public procurement in a phased approach.	1	Short term	MoF (PPPD) and PPRA
Pillar III 9(a): Planning	9. Develop a cost estimation module in NeST.	2	Short term to medium term	PPRA
Pillar III 9(b): Selection and contracting	10. Increase the efficiency in average processing time for the procurement cycle.	1	Medium to long term	PPRA
	11. Develop a suppliers' module that will provide automated post-qualification data for bid evaluation and help in market analysis.	2	Medium term	PPRA
	12. Develop a fully automated bid evaluation module with workflow.	1	Medium term	PPRA
Pillar IV 13(a)(c): The body or authority (appeals body) in charge of reviewing decisions of the specified first review body issues final, enforceable decisions	13. Enhance the complaint and appeal management module in NeST to a full-fledged system to enable notification to the appeals authority once a complaint is lodged to the PE tracking and monitoring of implementation of its issued decision and publishing the rulings.	2	Medium term	CAG, PPRA, and Internal Auditor General (IAG)
<b>Focus area 3: Monitoring and Oversight: Ensure the efficiency and effectiveness of the public procurement system through the effective use of data and the strengthening of monitoring and oversight functions</b>				
Pillar II 5(b): Responsibilities of the normative/regulatory function	14. Develop into NeST a system-generated red flags on the indication of wrongdoing or fraud and corruption using artificial intelligence.	2	Medium term	PPRA and PCCB
Pillar II 7(a): Publication of public procurement information supported by information technology	15. Ensure publication of data from the different stages of the procurement processes into NeST in machine-readable OCDS format, allowing easy download and viewing by interested users in a phased approach.	1	Short term	PPRA
	16. Establish a centralized online portal under NeST publishing procurement data in data visualization format with chart, graph tables, which help the different stakeholders and CSOs understand the procurement outcome in a systemic manner.	2	Medium term	PPRA



Pillar	Main actions	Priority <sup>6</sup>	Timeline <sup>7</sup>	Responsible institution
Pillar II 7(b): Use of e-Procurement	17. Develop NeST to include and generate data on key performance indicators regarding the functioning of the procurement system.	1	Short term	PPRA
	18. Further develop the framework module under NeST to include an e-catalogue, buffer stock calculation, automated PO generation based on user needs, and delivery lead time.	2	Medium term	GPSA, MSAP, PPRA, and MoF
Pillar II 7(c): Strategies to manage procurement data	19. Conduct the third-party IT system audit periodically to identify the system vulnerabilities and risks and ensure the reliability for the system by implementing the appropriate risk mitigation measures.	1	Short term	PPRA
Pillar II 5(b): Responsibilities of the normative/regulatory function  Pillar IV 12(c): Enforcement and follow-up on findings and recommendations	20. Develop a procurement audit module in NeST to enable internal and external audits, powered by artificial intelligence and machine learning.	2	Medium Term	CAG, PPRA, and IAG
Pillar IV 14(e): Stakeholder support to strengthen integrity in procurement	21. Improve transparency and accessibility of procurement information to facilitate greater citizen engagement and participation in social audit and control.	2	Medium Term	MoF (PPPD) and PPRA
<b>Focus area 4: Sustainable Capacity Development: Develop the capacity, capability and integrity of procurement officials and other stakeholders to support the achievement of all other objectives</b>				
Pillar I 3(a): Sustainable Public Procurement (SPP)	22. Implement targeted awareness and capacity-building programs for all procurement officials and relevant stakeholders on SPP principles, benefits, and practices.	1	Short Term	PPRA, MoF, and PSPTB
Pillar IV 12(d): Qualification and training to conduct procurement audits	23. Develop an effective training program to increase the number of trainings and trained staff to meet the demand for qualified auditors in public procurement audits.	1	Short Term	PSPTB, PPRA, CAG, and IAG
Pillar IV 14(d): Anti-corruption framework and integrity training	24. Develop comprehensive and mandatory integrity e-learning training modules and require public officials to undertake such trainings on a regular basis (for example, annually or every two years) and establish appropriate incentives to ensure uptake of the courses, such as designated audit and reporting and suspending access to NeST for noncompliant officials.	2	Medium Term	PPRA and MoF (PPPD)



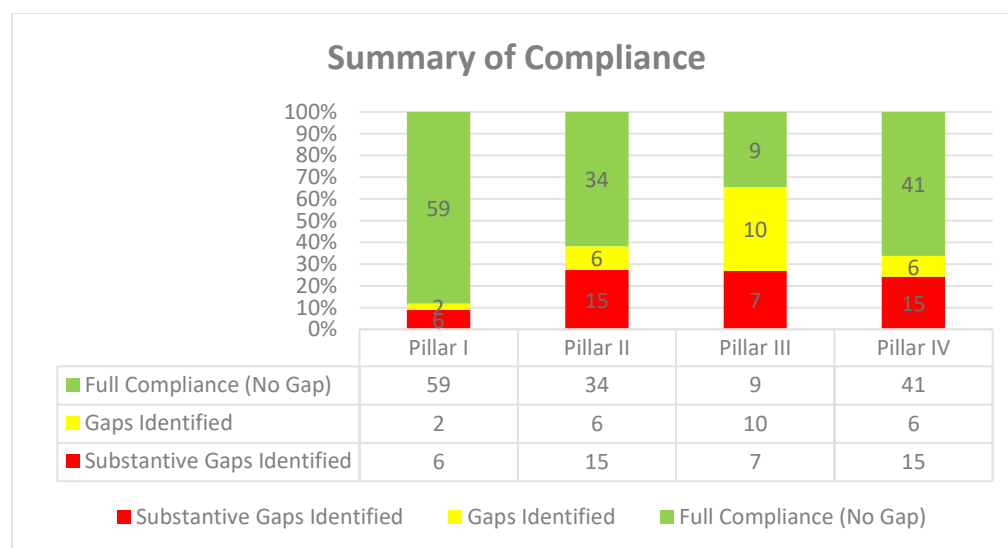
## Overview of Compliance

### A. Summary analysis of compliance/substantive gaps/red flags

Overall, based on the assessment results, the status of compliance/substantive gaps/red flags is as follows:

- Out of 210 assessment criteria, 143 are in full compliance (68 percent). For Pillar I, out of 67 criteria, 59 are in full compliance (88 percent), while for the rest of the pillars, the percentage of assessment criteria in full compliance was 66 percent, 61 percent, and 35 percent for Pillars IV, II, and III, respectively.
- Pillar I, which is about “the law as in the books,” is relatively strong with 88 percent of its assessment criteria in full compliance, followed by Pillars IV and II (66 percent and 62 percent, respectively).
- Out of total 43 substantive gaps, Pillars II and IV have 15 each (70 percent combined) while Pillars III and I have 7 and 6 respectively (30 percent combined).
- Most of the substantive gaps are from Pillars II and IV (70 percent of the substantive gaps combined).
- In total, seven ‘red flags’ have been identified out of the 43 substantive gaps (about 16 percent), which are predominant in Pillar IV (71 percent of the red flags), related to anti-corruption framework, integrity training, and sustainable public procurement.
- A higher-level government intervention and interinstitutional efforts will be required for recommendations offered in the prioritized action plan, with suggested priorities (short term/medium term/long term) and recommended responsible agencies, as covered in Chapter 5 of the report).
- A summary of the compliance status for all assessment criteria is provided in the histogram below.

### B. Summary of compliance (as colored histogram)



### C. Detailed compliance assessment

The following table provides an overview of the assessment findings at the level of sub-indicators. Each sub-indicator is identified depending on the findings (full compliance/gaps identified/ substantive gaps identified). This table also shows the red flags identified.

PILLAR I		Full compliance	Gaps identified	Substantive gaps identified	Red flags
<b>1. The public procurement legal framework achieves the agreed principles and complies with applicable obligations.</b>	1(a): Scope of application and coverage of the legal and regulatory framework			X	X
	1(b): Procurement methods	X			
	1(c): Advertising rules and time limits	X			
	1(d): Rules on participation	X			
	1(e): Procurement documentation and technical specifications	X			
	1(f): Evaluation and award criteria			X	
	1(g): Submission, receipt, and opening of tenders	X			
	1(h): Right to challenge and appeal	X			
	1(i): Contract management	X			
	1(j): Electronic procurement (e-Procurement)	X			
	1(k): Norms for safekeeping of records, documents, and electronic data	X			
	1(l): Public procurement principles in specialized legislation	X			
<b>2. Implementing regulations and tools support the legal framework.</b>	2(a): Implementing regulations to define processes and procedures	X			
	2(b): Model procurement documents for goods, works, and services		X		
	2(c): Standard contract conditions	X			
	2(d): User's guide or manual for procuring entities	X			
<b>3. The legal framework reflects the country's secondary policy objectives and international obligations.</b>	3(a): Sustainable public procurement (SPP)			X	X
	3(b): Obligations deriving from international agreements	X			

PILLAR II		Full compliance	Gaps identified	Substantive gaps identified	Red flags
<b>4. The public procurement system</b>	4(a): Procurement planning and the budget cycle			X	



PILLAR II		Full compliance	Gaps identified	Substantive gaps identified	Red flags
is mainstreamed and well-integrated with the public financial management system.	4(b): Financial procedures and the procurement cycle			X	
5. The country has an institution in charge of the normative/regulatory function.	5(a): Status and legal basis of the normative/regulatory function	X			
	5(b): Responsibilities of the normative/regulatory function			X	
	5(c): Organisation, funding, staffing, and level of independence and authority			X	
	5(d): Avoiding conflict of interest		X		
6. Procuring entities and their mandates are clearly defined.	6(a): Definition, responsibilities, and formal powers of procuring entities			X	
	6(b): Centralised procurement body	X			
7. Public procurement is embedded in an effective information system.	7(a): Publication of public procurement information supported by information technology			X	
	7(b): Use of e-Procurement			X	
	7(c): Strategies to manage procurement data			X	
8. The public procurement system has a strong capacity to develop and improve	8(a): Training, advice, and assistance		X		
	8(b): Recognition of procurement as a profession	X			
	8(c): Monitoring performance to improve the system	X			

PILLAR III		Full compliance	Gaps identified	Substantive gaps identified	Red flags
9. Public procurement practices achieve stated objectives.	9(a): Planning			X	
	9(b): Selection and contracting			X	
	9(c): Contract management in practice			X	
10. The public procurement market is fully functional.	10(a): Dialogue and partnerships between the public and private sectors		X		
	10(b): Private sector's organisation and access to the public procurement market		X		
	10(c): Key sectors and sector strategies		X		



PILLAR IV		Full compliance	Gaps identified	Substantive gaps identified	Red flags
<b>11. Transparency and civil society engagement strengthen integrity in public procurement.</b>	11(a): An enabling environment for public consultation and monitoring			X	
	11(b): Adequate and timely access to information by the public	X			
	11(c): Direct engagement of civil society			X	X
<b>12. The country has effective control and audit systems.</b>	12(a): Legal framework, organisation, and procedures of the control system		X		
	12(b): Co-ordination of controls and audits of public procurement			X	
	12(c): Enforcement and follow-up on findings and recommendations			X	
	12(d): Qualification and training to conduct procurement audits			X	
<b>13. Procurement appeals mechanisms are effective and efficient.</b>	13(a): Process for challenges and appeals			X	
	13(b): Independence and capacity of the appeals body		X		
	13(c): Decisions of the appeals body				
<b>14. The country has ethics and anti-corruption measures in place.</b>	14(a): Legal definition of prohibited practices, conflicts of interest, and associated responsibilities, accountabilities, and penalties	X			
	14(b): Provisions on prohibited practices in procurement documents	X			
	14(c): Effective sanctions and enforcement systems	X			
	14(d): Anti-corruption framework and integrity training			X	X
	14(e): Stakeholder support to strengthen integrity in procurement			X	X
	14(f): Secure mechanisms for reporting prohibited practices or unethical behavior	X			
	14(g): Codes of conduct/codes of ethics and financial disclosure rules			X	





# 1. Introduction

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## Context

The Government of Tanzania (GoT), through the Ministry of Finance and Planning (MoFP), requested on April 18, 2023, the assistance of the World Bank in assessing Tanzania's public procurement framework, using the Methodology for Assessing Procurement Systems (MAPS) tool, with the aim to

- (i) Assess Tanzania's Public Procurement Laws amended in 2016 (both for Mainland and Zanzibar) to understand the gaps and possible enhancements, specifically emphasizing procurement efficiency and sustainable procurement, including net zero;
- (ii) Identify the key reasons for the delay in procurement and agree on a set of recommendations to overcome this significant bottleneck for efficient public procurement in Tanzania;
- (iii) Assess current professionalization/capacity development provisions in the law and corresponding regulations and set a way forward focused on sustainable procurement and capacity development; and
- (iv) Inform the planned development of a public procurement reform strategy for Tanzania based on the findings and recommendations of the assessment.

## Objectives

The development objective is to assist the GoT to develop a reform plan for building a sustainable, effective, and efficient public procurement system. The analytical work will assess strengths, weaknesses, and gaps in the system; benchmark it with international practices using the second version of the MAPS tool; and provide recommendations for improvement.

Specifically, the assessment aimed to

1. Develop a shared understanding of the current state of Tanzania public procurement system and build consensus among the stakeholders about the procurement modernization opportunities;
2. Assess strengths, weaknesses, and gaps in the public procurement system to assist the GoT in developing an action plan to make the procurement system more efficient, transparent, and fit for purpose to contribute toward the broader sustainable development objective of the country with specific emphasis to efficient procurement completion time, sustainable capacity development, and sustainable procurement; and
3. Propose performance and red flags indicators to support the monitoring and supervision of the public procurement system.

## Relevant Dates

The assessment was conducted in person and as an e-mission in Tanzania from December 2023 to June 2024. A kick-off workshop took place on December 14, 2023, to discuss the MAPS tool and give participants the opportunity to contribute/provide feedback and agree on the modality of involving key stakeholders in collecting data and feedback.



The Assessment Steering Committee (ASC) met on February 29, 2024, March 26, 2024, April 29, 2024, and May 21, 2024, to review progress and discuss the next steps. A workshop with private sector representatives and civil society organizations (CSOs) took place on April 16, 2024, to gather their views regarding the functioning of the public procurement system in Tanzania. The validation workshop on the assessment's findings and recommendations took place on May 23, 2024.

## **Scope**

The assessment focused on the strengths, weaknesses, and gaps of the public procurement system in Tanzania Mainland and provides the recommendations for improvements, following the four MAPS pillars:

- I. Legal, Regulatory and Policy framework
- II. Institutional Framework and Management Capacity
- III. Procurement Operations and Market Practices
- IV. Accountability, Integrity and Transparency of the Public Procurement System.

## **Methodology**

The methodology followed the MAPS guidelines and included desk research and review, field missions to conduct interviews with the selected procuring entities (PEs) and collect relevant data on selected contracts, consultation workshops with key stakeholders of the public procurement system and its ecosystem (including private sector organizations and CSOs), surveys with private sector organizations and CSOs, analysis of 100 sample contracts from 20 PEs, preparation of the draft report, a validation workshop with the stakeholders, review of the draft report by the stakeholders, incorporation of the comments and feedback, and finalization of the report.

The sample assessment included 20 PEs representing all the major sectors of the country. They also have the major share of the public procurement budget of Tanzania and/or manage high-value and complex infrastructure projects. A total of 100 sample contracts representing a good mix of procurement of goods, works, services, and consulting services were selected. A template for collecting and analyzing the sample cases was prepared and shared with all selected PEs covering all the relevant MAPS sub-indicators. The assessment team visited respective PEs to collect and validate the data using the template.

A questionnaire was also prepared for a private sector survey and similarly for CSOs active in public procurement and governance in Tanzania. These are based on a standard template already used for similar MAPS assessments and customized for Tanzania.

A total of 37 representatives of civil society organizations/nongovernmental organizations (NGOs) responded to the survey, mostly from Tanzania (97.3 percent). About 43.2 percent have between 11 and 50 members and 24.3 percent have less than 11 members. They are generally experienced organizations, with more than 11 years of experience (73 percent). The main areas of activity are good governance (13.7 percent), environment (12.6 percent), and education (12.6 percent).

A total of 134 private sector organizations responded to the survey. About 60.4 percent are small companies with less than 10 employees and 26.1 percent up to 50 employees. Most of them have more



than 10 years of experience (40.3 percent) or 2–5 years (29.1 percent). Most of the responses were from contractors (76.9 percent) acting in the construction (52.6 percent), engineer services (18.4 percent), and general supplies and services sector (7.7 percent). In terms of experience with the public procurement system, 39.1 percent have previously participated in more than 10 tenders in the past five years and 21.1 percent have never participated.

### **Assessment Team**

This assessment has been conducted by a MAPS assessment team led by the World Bank in close collaboration with the Public Procurement Regulatory Authority (PPRA). The MAPS assessment was led by Raymond Joseph Mbishi and Tanvir Hossain, Senior Procurement Specialists, and included a team of World Bank staff comprising Fredrick Manase Nkya, Emmanuel Cosmas Maliganya, Aquiline Peter Safari, A.N.M. Mustafizur Rahman, Gisbert Kinyero, Carmen Calin, Rajesh Kumar Shakya, Nkundwe Jonah Mwakiluma, Belita Manka, Benjamin Ndazi Mtesigwa, and Emmanuel A. Mungunasi. Valuable inputs and support during the data collection process were provided by the local consultants, Wangwe Magige Mwita and Leviticus Bossa, and the data analysis was conducted by Huseyn Ibrahimli, an international consultant. Valuable administrative support was provided by Gloria Sindano. The PPRA team was led by Vestina Rwelengera (GoT MAPS Coordinator) and included Joachim Maambo, Charles Birore, Vicky Mollel, Masunya Nashon, Harun Magoti, and Happiness Mugyabuso. The assessment was conducted under the oversight of Elmas Arisoy, Practice Manager, World Bank; Nathan M. Belete, Country Director, World Bank; Dr. Frederick Mwakibinga, Commissioner PPPD, MoF, and Chairman of the MAPS ASC; and Eliakim Maswi, DG PPRA and Secretary of the MAPS ASC.

### **Process**

The assessment team conducted the desk research and analysis in close collaboration with the PPRA team. Field visits and meetings with 20 sampled PEs were undertaken from March 4, 2024, to April 11, 2024, which were essential to ensure the collection of the relevant data on the 100 selected contracts.

Consultation workshops were organized on April 16, 2024, with representatives of business associations and CSOs to gather their views and perceptions in relation to the functioning of the public procurement system in Tanzania as well as the priority areas for improvement.

The assessment team held meetings and multiple consultations with other key stakeholders of the public procurement system, namely PPRA, Government Procurement Service Agency (GPSA), Public Procurement Appeals Authority (PPAA), ACET, TPSF, and WAJIBU-Institute of Public Accountability, among others, to gather their views and validate any preliminary assumptions.

### **Validation**

A validation workshop was organized in Dodoma, on May 23, 2024. Stakeholders comprising government departments, public bodies, state-owned enterprises, statutory bodies, private sector entities, CSOs, and development partners participated in the workshop both physically and virtually. The purpose of the validation workshop was to present to the stakeholders the main findings regarding the functioning of the public procurement system of Tanzania, the strengths and gaps identified by the assessment, and initial recommendations to address the gaps. The workshop also provided a forum for comments and feedback from stakeholders. The validation workshop broadly validated the assessment findings.



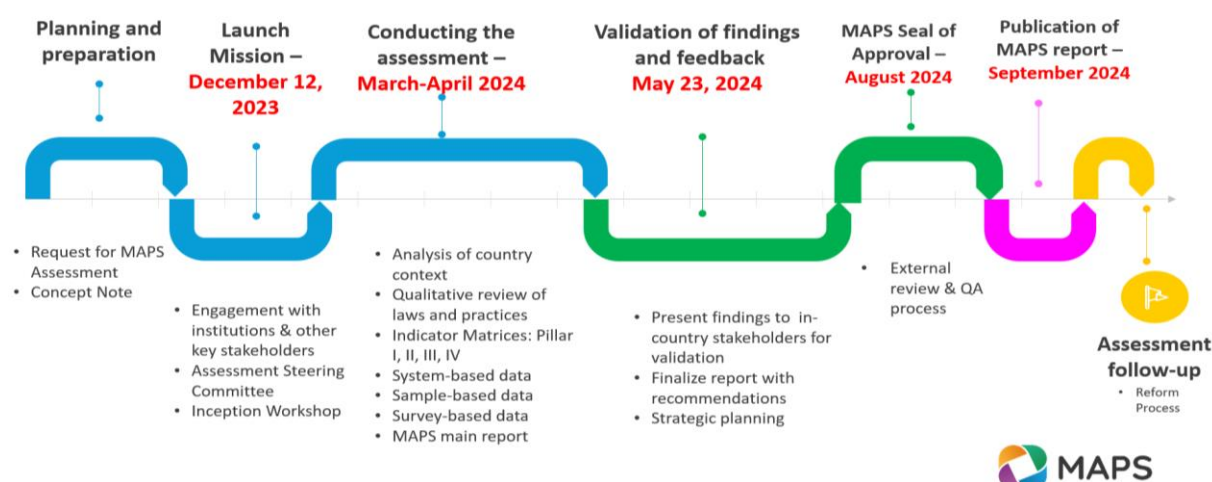
## Limitations

One major limitation was the unavailability of data in the previous electronic government procurement (e-GP) system for the last few years. The main reason was that the previous e-GP system was not integrated, and the PEs did not use it systemically. The current e-GP (that is, National e-Procurement System of Tanzania (NeST) launched on July 1, 2023, does not have enough procurement data to assess. In such a scenario, the assessment team had to collect procurement data for 100 contracts manually, which was time-consuming.

## Summary of Progress and Next Steps

Figure 1 captures the progress and next steps of MAPS Tanzania as of the validation workshop held on May 23, 2024. The process of review and validation is summarized in Chapter 6 of this report.

**Figure 1. Tanzania MAPS assessment: Progress and next steps**



## 2. Analysis of Country Context

### 2.1. Political, Economic, and Geostrategic Situation of the Country

Tanzania, located in Eastern Africa, is one of the continent's fastest-growing economies, with diverse natural resources. The country size is 945,040 km<sup>2</sup>, which encompasses 881,000 km<sup>2</sup> of Mainland and 2,650 km<sup>2</sup> of Zanzibar. Although mining and agriculture are the mainstays of the economy, agriculture remains the main source of employment, accounting for about half of the employed workforce and one-quarter of gross domestic product (GDP). According to the 2022 Population and Housing Census, the population was estimated to be 61.7 million and projected to reach about 80 million by 2030. Of the 61.7 million, 1.9 million live in the semi-autonomous province of Zanzibar.

Tanzania is a lower-middle-income country, with a gross per capita of US\$1,099 as recorded in 2021. An estimated 28 percent of Tanzanians live below the poverty line in a country which recorded a gross national income (GNI) per capita of TZS 2,577,967 (US\$1,080) in 2019, giving it a lower-middle-income country status. At about 17 percent of GDP, total public spending in Tanzania is below the average for Sub-Saharan Africa (18 percent), low-income countries (21 percent), and lower-middle-income countries



(28 percent). Public spending is also lower than in regional peer countries such as Uganda (21.4 percent), Kenya (24.7 percent), and Rwanda (32.9 percent). Low levels of public spending reflect weak domestic revenue mobilization and the government's commitment to maintaining fiscal and debt sustainability.

Despite progress made by Tanzania since 2017 on several governance indicators, particularly on the 'control of corruption' and 'political stability' where it ranks above most countries in the region, corruption remains a huge challenge. Tanzania scored 40 points out of 100 on the 2023 Corruption Perceptions Index reported by Transparency International (TI), which is an increase of 2 points from 2022 report (ranked 87/180) and with more than 20 points since the record low in 1999. On the other hand, the 2021 Ibrahim Index of African Governance Index Report ranks Tanzania well among its Africa peers on governance at a broad level. Tanzania scored 53.4 out of 100.0 in overall governance, ranking 21st out of 54 in Africa, higher than the African average (48.9) or the regional average for Eastern Africa (46.0). However, there has been a slight decline in the scoring on safety and rule of law which encompasses dimensions that affect the public procurement system, such as accountability and transparency.

Politically, Tanzania started as a socialist country with the Arusha Declaration of 1967 and pursued the socialist policies under Julius Nyerere, the first President of Tanzania. Despite the stability resulting from Nyerere's policies, Tanzania's economy was stagnant and its debt burden high. From 1972 through the 1980s, a phase known as the decentralization and villagization process, the GoT attempted to construct a socialist society by delegating some of its authorities and responsibilities to the local level. With the local government reforms of the 1990s, there is a two-tier government, the central government and the local government authorities (LGAs). With fiscal decentralization, there is devolution of taxing and spending powers to lower levels of government.

Tanzania experienced an economic crisis in the 1970s and as a result introduced a series of home-grown economic reforms in 1981. In the 1990s, as part of the International Monetary Fund (IMF) Structural Adjustment Program (SAP), Tanzania adopted the social and economic reforms including introduction of users' fees for education and basic health services. In the 1990s, the Tanzanian shilling was devalued to boost exports, prices were partially liberalized, and government expenditure was reduced through several cost cutting measures by the government, leading to further economic liberalization and monetary tightening.

Tanzania undertook further institutional reforms in the 1990s, especially targeting the civil service and privatization of state-owned companies. Also, political reforms transformed Tanzania into a multiparty country in 1992, leading to the first multiparty elections in 1995. Currently, there are 19 full registered political parties, including the Chama Cha Mapinduzi (CCM), which is the ruling party.

Tanzania pursued poverty alleviation strategies after the economic reforms of the 1990s. The first one was the National Strategy for Growth and Reduction of Poverty (*Mkakati wa Kukuza Uchumi na Kupunguza Umaskini*, MKUKUTA) I and II from 2000 to 2015. MKUKUTA I and II achieved significant improvement in economic growth and poverty reduction.

The achieved gains could not be sustained because of various domestic/external shocks and policy weaknesses. These include the collapse of commodity prices in the international market for exported goods, an increase in the price of petrol and petroleum products, breakdown of the East African Community, the war against Idi Amin in 1978, and extended drought periods which slowed down production in various sectors in the economy. In the late 1980s and early 1990, the economy faced several



crises, resulting in an inflation rate of 33 percent and a negative economic growth rate. This necessitated major macroeconomic reforms in education, transport, and the public sector in the 1990s, which resulted in a sharp drop in the inflation rate to about 4.6 percent and an economic growth of 5.6 percent.

The economy of Tanzania relies significantly on agriculture. Agriculture contributes approximately 25 percent of GDP, providing 85 percent of exports, and employs 80 percent of the workforce residing in the rural and semi-urban areas. The GDP per capita in 2022 and 2023 was US\$1,252.88 and US\$1,326.63, respectively.

Regarding the Corruption Perceptions Index (CPI), Tanzania was ranked 87 among the 180 countries in the index published by TI 2023 CPI. The 2023 CPI shows that corruption is flourishing across the world. Tanzania scored 40 on a scale from highly corrupt (0) to very clean (100). This is a relatively good position as over two-thirds of countries score below 50 out of 100, suggesting a serious corruption problem. The global average is stuck at only 43. In the CPI, the country ranked first is perceived to have the most honest public sector.

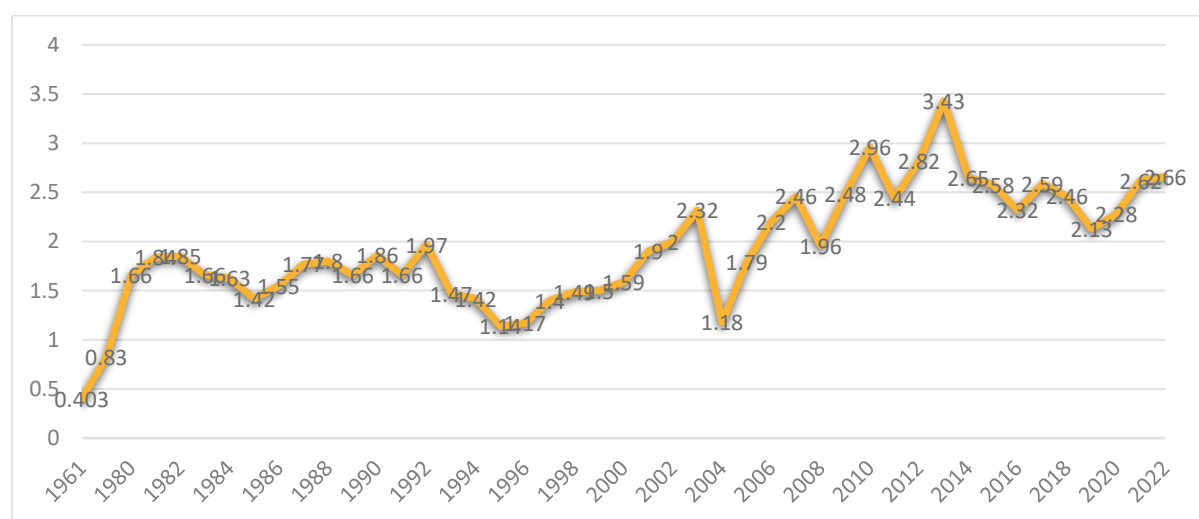
Tanzania Fragile States Index (FSI) was 76.6 in 2023. The average FSI for Tanzania has been 79.94 index points with a minimum of 76.6 in 2023 and a maximum of 81.8 in 2016. The world average FSI in 2023, based on 177 countries, is 65.53 index points. In recent years, the FSI for Tanzania fluctuated substantially, but the trend was decreasing from 2009 to 2023, ending at 76.6 in 2023. The FSI focuses on the indicators of risk and is based on thousands of articles and reports that are processed by the Conflict Assessment System Tool (CAST) from electronically available sources. Measures of fragility, such as demographic pressures and internally displaced persons (IDPs), are scaled on 0 to 10 scores, where 0 indicates no fragility and 10 indicates the highest fragility. Given the index, Tanzania is the least fragile state.

Tanzania's GNI per capita in 2023 was estimated to be US\$1,326.6 compared to US\$1,200 in 2022 and US\$1,120 in 2021, rising from the US\$1,050 in 2020. Tanzania graduated to lower-middle-income country (LMIC) status with a gross per capita of US\$1,099 as recorded in 2021. It is also one of the largest recipients of aid in Sub-Saharan Africa; between 2010 and 2011, approximately 33 percent of government spending was financed by foreign aid.

The net official development assistance (ODA) to Tanzania has been growing over time. The net ODA and official aid received by Tanzania (at constant 2021 US\$) averaged around US\$1.93 billion from 1961 to 2022. The trend of the net ODA is presented in Figure 2.



**Figure 2. Net official development and official aid received in Tanzania**

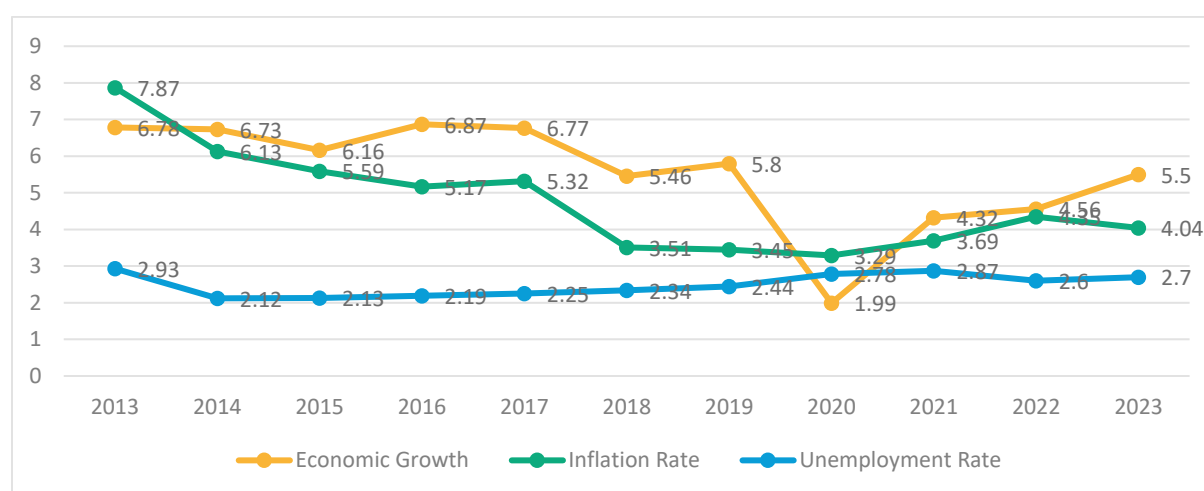


Source: <https://data.worldbank.org/indicator/DT.ODA.ALLD.KD?end=2022&locations=TZ&start=1960&view=chart>

The average total revenue as a percentage of real GDP growth rate in Tanzania increased from 55.1 percent in 2015/16 to 58.3 percent in 2021/21 and was projected at 68.5 percent in 2021/22 (URT 2023). On average, between 2015/16 and 2021/22, the total revenue to GDP was 62.9 percent. Similarly, budget financed by domestic taxes as a percentage of the real GDP growth rate averaged 14.2 from 2015/16 to 2021/22.

Tanzania has been making several strides in its economy since its independence in 1961. The analysis of its selected macroeconomic variables of the country shows some unique trends. Figure 3 summarizes the macroeconomic performance over the last 10 years.

**Figure 3. Growth rate of selected macroeconomic indicators in Tanzania, 2013–2023**



Source: <https://www.macrotrends.net/global-metrics/countries/TZA/tanzania/>.

Tanzania's economy has been resilient, growing by 5.2 percent in 2023 compared to 4.6 percent in 2022. The economic growth rate has been consistent at the rate of 7–6 percent from 2019 to 2023. Given the outbreak of COVID-19, in which many countries were affected, the economic growth dropped to the lowest rate ever of 1.9 percent. The growth rate kept rising after the pandemic and was around 5.5





percent in 2023. Figure 3 above shows that Tanzania experienced a strong post-pandemic recovery as demonstrated by the GDP growth rate. The increase in the GDP growth rate is supported by an improving business climate and the implementation of structural reforms. The GDP is projected to grow at the rate of 5.6 percent in 2024 with a determined potential growth of up to 6 percent being supported by the improving business environment and ongoing structural changes including increased budget to unlock agricultural productivity which employs three-quarters of people who are poor in the country.

The macroeconomic reforms undertaken in the 1980s and 1990s improved economic growth in Tanzania. Between 1987 and 1992, real GDP growth averaged 3.5 percent, more than double that of the previous decade. During the 1990s, growth continued at a modest 3.7 percent. Since the late 1990s, real GDP growth has continued to climb, reaching approximately 6.7 percent in 2018, before a major decline to 1.9 percent during the COVID-19 pandemic in 2019 and rising again to 5.6 percent in 2023.

In 2020, Tanzania achieved the status of lower-middle-income country. Despite the achievement, its economic growth was not guaranteed to produce a direct impact on the well-being of the most poverty affected and vulnerable people. The 2019 report on Tanzanian Mainland Poverty Assessment noted that, despite sustained economic growth and a persistent decline in poverty, the absolute number of poor people increased from 13 million in 2007 to only 14 million in 2019. Beyond the persistent gaps between urban and rural areas, there are also substantial disparities in the distribution of poverty across geographic regions (World Bank 2000)<sup>8</sup>.

The agriculture sector is the main economic activity for most Tanzanians alongside the service sector, tourism, and the mining sector. The agriculture sector employs about 80 percent of rural population, and it remains the main source of income and food. Commercial agriculture remains well below potential accounts for less than 3 percent of the country's foreign direct investment (FDI). The agricultural sector recorded a GDP growth rate of 4.1 percent in 2021. Agriculture contributes roughly one-third of the country's GDP. The share of agriculture in Tanzania's GDP in 2022 was 24.27 percent, whereas the industrial sector accounted for approximately 27.7 percent and the services sector contributed about 30.64 percent.

Tourism is vital to the Tanzanian economy. Tanzania is one of the top tourist destinations in Africa. It generated US\$1 billion in revenues in 2020 versus 2.6 billion in 2019 and created 1,550,100 jobs, which is equivalent to 11.1 percent of the country's total employment. Tanzania plans to increase the number of tourists from 1.5 million in 2019 to 5 million in 2025.

The mining sector's contribution to the GDP in 2020/21 was 7.2 percent, an increase from 6.7 percent in 2019/21. The government nontax revenue collection from the mining sector in FY2022/23 was TZS 678 billion while the tax revenue generated from mining activities hit TZS 808 billion. Around 80 percent of the mineral export from Tanzania is gold. The issuing of mineral licenses between 2018/19 and 2022/23 increased from 5,094 to 9,642, respectively.

Tanzania has a great potential in logistics management in the East African Community (EAC) and the Southern African Development Community (SADC) countries. The government has prioritized development of the country's infrastructure system, by upgrading airport transportation, ports, and the

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<sup>8</sup> <https://documents1.worldbank.org/curated/en/254411585030305188/pdf/Part-1-Path-to-Poverty-Reduction-and-Pro-Poor-Growth.pdf>





country's road and railway systems. The Dar es Salaam port is Tanzania's principal port with a capacity of 10.1 tons per year. The port handles over 92 percent of the total maritime port throughput and 4.1 million tons of dry cargo and 6 million tons of bulk liquid cargo annually.

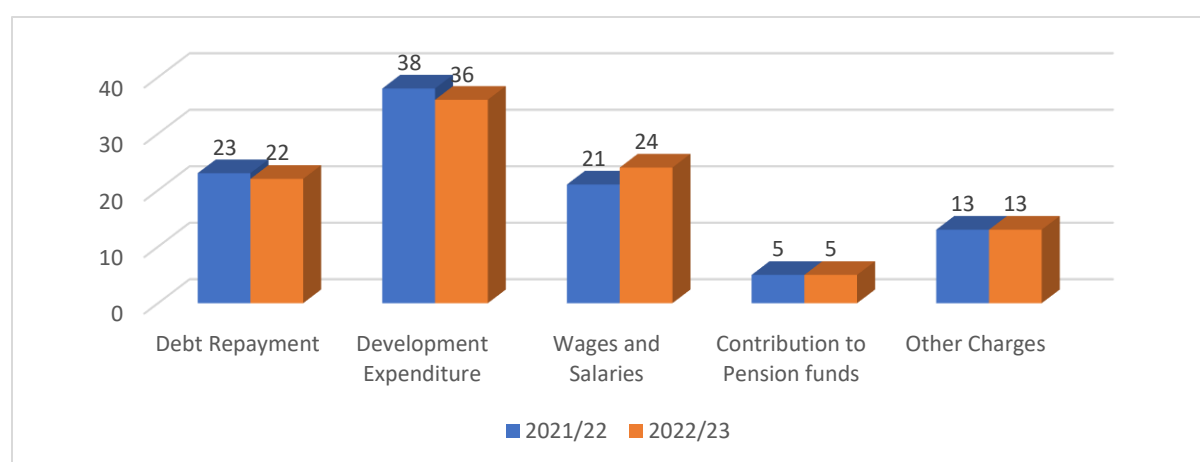
Tanzania is strategically geo positioned as a gateway to several landlocked countries, including the EAC countries of Burundi, Rwanda, Uganda, the Democratic Republic of Congo, and South Sudan as well as the Southern African Development Commission countries of Zambia, Malawi, Zimbabwe, and Botswana.

The Tanzania Ports Authority (TPA) currently serves the non-coastal (landlocked) countries of Malawi, Zambia, the Democratic Republic of Congo, Rwanda, Burundi, and Uganda. These countries are connected to the port through two railway systems, the road network, and the TAZAMA oil pipeline to Zambia. The ongoing construction of the Standard Gauge Railway (SGR) in Tanzania from Dar es Salaam to Dodoma, Dodoma to Tabora, and extension to Mwanza to connect with Uganda through Lake Victoria, as well as connection with Burundi and the Democratic Republic of Congo through Kigoma, will expand the logistics services of Tanzania and its contribution to the GDP.

The inflation rate demonstrated a decline from 2013 to 2018 and remained constant between 2018 and 2020 before rising again during 2021. It is evident that the inflationary rate continues to be moderate in Tanzania. The CPI declined from 4.9 percent in January 2023 to 3 percent in January 2024. This has been contributed mostly by declined commodity prices, moderate and timely fiscal subsidizing, and stringent monetary policy applied by the Bank of Tanzania. Despite the moderate inflationary pressure, the Tanzanian shilling depreciated by 7.8 percent against the US dollar. Foreign exchange reserves in 2023 were US\$5.5 billion, which is equivalent of 4.5 months of imports.

Government expenditure has been increasing given the total resources available. In 2021/2022, for example, the total resources were TZS 37,992,540 (in billions) compared to the total resources of TZS 41,480,580 (in billions) in 2022/2023. Figure 4 summarizes the government expenditure during the period.

**Figure 4. Government expenditure in 2021/22 and 2022/23 as a percentage of total resources**



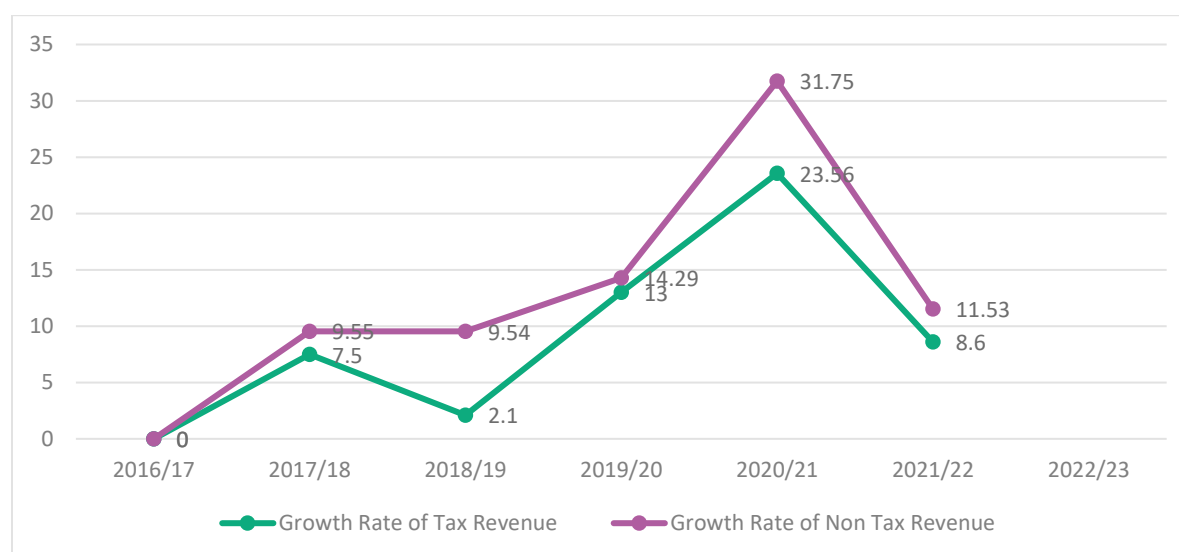
Sources: MoF Budget Speeches, 2021 and 2022.

The domestic revenue in terms of tax revenue and nontax revenue has been on the rise as well, supporting Tanzania's resilient economic growth in. The total domestic revenue has increased from the TZS 16,639,933 (in millions) to almost the double amount in 2022/23, with a record of TZS 28,017,867 (in millions). The growth rate of the domestic revenue is demonstrated by Figure 5. Both the tax revenue and



the nontax revenue reached critical growth in 2022/21, indicating how the country emerged strongly from the COVID-19 pandemic.

**Figure 5. The growth rate of the domestic revenue, 2016/17 to 2022/23**



Source: MoF Budget Speeches, 2021 and 2023.

## 2.2. The Public Procurement System and Its Links with the PFM and Public Governance Systems

The Procurement Legal and Regulatory Framework is governed by the PPA, CAP 410 (Revised 2022), and its regulations (Government Notice [GN] 446 of 2013) (as amended in 2016). These are supplemented by the districts' (Establishment and Proceeding of the Tender Boards) GN No. 330 of 2014 for procurements under the LGAs. Under the act, procurement functions are decentralized to PEs while PPRA provides oversight functions in public procurement. In line with the issued regulations, various documents have been issued by PPRA as working tools in line with the PPA, including Standard Bidding Guidelines on the Technical and Financial Proposals Evaluation and Report Preparation, Guidelines for Preparing Responsive Proposals, Procedural Forms, Guidelines for Community Participation in Public Procurement, and Guidelines for Carrying Out Works under Force Account at all levels. All these documents are accessible on the PPRA website free of charge.

The procurement regulatory framework complies with applicable obligations derived from national and international requirements. The procurement policies are based on the need to make the best possible use of public funds, while conducting all procurement with integrity and fairness. All public officers and members of tender boards (TBs) undertaking or approving procurement are required to be guided by the basic considerations of the public procurement policy including the need for economy and efficiency in the use of public funds; giving all eligible bidders/consultants equal opportunities to compete in providing goods or executing works or providing services; and encouraging national manufacturing, contracting, and service industries and the importance of integrity, accountability, fairness, and transparency in the procurement process.



In Tanzania Mainland, five institutions carry out the main functions of the public procurement system: (a) the Public Procurement Policy Division (PPPD), established under the Ministry of Finance (MoF), with the responsibility to develop and monitor procurement policy; (b) PRA which regulates and monitors procurement activities conducted by PEs; (c) PPAA mandated to hear and determine appeals and complaints from the bidders who are not satisfied with the decision of the PE; (d) the Procurement and Supplies Professionals and Technicians Board (PSPTB) established to regulate and develop the procurement cadre and monitor the conduct of procurement and supplies professionals in the country; and (e) the Government Procurement Service Agency (GPSA) which coordinates and manages the procurement of common-use goods and services.

The PPA and its regulations provide the setup of procurement functions in the PEs by established organs such as accounting officers (AOs), TBs, User Departments, evaluation committees, Procurement Management Unit (PMU), and inspection committees. All these organs are required to undertake procurement functions independently and be accountable. Furthermore, there is an Internal Audit Unit in each PE intended to serve as a tool for checking the efficiency and effectiveness of financial management and internal control systems. It is designed to add value and improve the PE operations in spending public funds. The Internal Audit Unit is responsible for ensuring that procurement procedures are followed by the entity in the procurement of both goods and services.

Public procurement is directly linked to the public finance management (PFM) of any country. The PFM in Tanzania has evolved over time. In the 1990s, a series of PFM reforms programs were launched, starting with the first Public Financial Management Reform Program (PFMRP I) of 1998, sequentially followed up by other four phases of reforms, culminating in PFMRP V in 2022. PFMRP I–V aimed to improve the PFM in the extents of management of public resources, budget planning and preparation, financial reporting and accountability, external audit, oversight functions and public procurement management.

In many countries, particularly the African countries, procurement of goods, services, and works in the public sector accounts for more than 10 percent of the GDP. In Tanzania, it is recorded that about 70 percent of the national budget is spent on public procurement. Globally, governments are emerging as important spenders for development outcomes. The World Bank estimates that governments in the world spend about US\$9.5 trillion each year on the acquisition of goods and services and works<sup>9</sup>.

Past PFM reforms have led to significant achievements; however, continuing weaknesses in core aspects threaten to undermine the value of the improvements achieved. Most notably, the rollout of electronic revenue collection systems has contributed to an increase in nontax revenue collection by 350 percent over the past five years. Other notable reforms include the adoption of a treasury single account, the rollout of expenditure management systems, the introduction of electronic procurement systems, the development and rollout of the central budget management information system and strengthened parliamentary oversight functions. However, the lack of a reliable, credible annual budget, a weak control environment, and deficiencies in the transparency in the financial reporting of public institutions remain the biggest threats to the Tanzania Mainland PFM system according to the most recent Public Expenditure and Financial Accountability Report for Mainland Tanzania (PEFA 2022). Further, inefficiencies in financial

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<sup>9</sup> <https://www.worldbank.org/en/news/feature/2020/03/23/global-public-procurement-database-share-compare-improve#:~:text=Overall%2C%20public%20procurement%20represents%20on,be%20lost%20due%20to%20corruption.>



management and inadequate transparency, as well as inadequate capacity in external audit, have impeded developments in accountability. Tanzania's most urgent reform priorities include measures to improve the efficiency and effectiveness of expenditure programs and boost tax revenue mobilization. Tanzania's National Development Vision 2025 and Five-Year Development Plan (FYDP) III both reference the need for reliable PFM systems. Furthermore, the Zanzibar Development Vision 2050 identifies effective PFM as a priority with a focus on domestic revenue mobilization.

In Tanzania, the current government structure includes the central government, consisting of the ministries, departments, and agencies (MDAs), and the LGAs, consisting of regions, districts, and councils, namely, cities, municipalities, and district councils.

The key institutions in operating the public procurement system in Tanzania are the MoF and PPRA. The MoF is the key line ministry responsible for the PFM in the country. The Minister of Finance is responsible for the formulation, preparation, and execution of the national economic policies.

The MoF is the principal regulatory and policy-making institution within the Tanzanian PFM system. Its responsibilities include preparing the central government budget; developing tax policy and legislation; managing government borrowings on financial markets; determining expenditure allocations to different government institutions; transferring central grants to local governments; developing regulatory policy for the country's financial sector in cooperation with the Bank of Tanzania and representing Tanzania within international financial institutions. The President's Office - Planning Commission (POPC) is responsible for developing 'the vision and guidelines for the national economy' and retains important functions regarding economic policy, economic management and research, and national development planning. Nevertheless, since the transfer of responsibility for the Development Budget to the MoF in the late 1990s, the MoF retains final responsibility for resource allocation and management of the whole national budget.

The Parliament, guided by the Parliamentary Budget Committee, reviews fiscal policies as contained in the Plan and Budget Guidelines (PBG) and the details of planned revenue and expenditures presented in the Budget Documents. The PBG presents medium-term macroeconomic and fiscal forecasts as well as medium-term priorities and aggregates budget data in the form of a budget framework divided by revenues and expenditures, with details of the anticipated fiscal deficit and its planned financing. This process has been followed for the last three completed fiscal years and the approval of the 2022/23 budget. The main coordinating committee for the review of the Executive's Budget Proposal (EBP) is the Parliamentary Budget Committee which has technical support from the Parliamentary Budget Office. The procedures for budget scrutiny are laid down in parliamentary standing orders which are approved by the legislature in advance of the budget hearings and subsequently respected. They involve public participation structures and specialized committees, including sectoral committees.

The Planning Commission assesses the state of the national resources for development and advises the government on the efficient utilization of those resources and monitors the implementation of government decisions on matters of planning and the management of the economy. The Commissioner for Budget is responsible for preparing, executing, monitoring, evaluating, and reporting on the budget; analyzing votes estimates during the process of budget scrutinization; monitoring, evaluating, and reporting on the government budget; consolidating and managing cash flow plans and performance-based disbursement; and advising on budgetary commitments of the government and financial obligations. The Treasury Registrar is empowered to review and approve strategies, annual plans, and



budgets of public entities which are under the supervision of the Treasury Registrar and incorporate them into the National Development Plan; supervise public entities' investment funds; and manage and control privatization funds received from the divestiture process of public entities, assets, and shares.

The public entities are required to prepare budget estimates and submit them to the Permanent Secretary for scrutiny and approval and receive funds from the Consolidated Fund based on the approved budget. The AOs of each entity are empowered to ensure that the budget of votes and public entities is prepared as per PBG, public funds and resources are properly managed and safeguarded, and arrangements for the collection of revenue from the public are conducive to its collection.

The National Audit Office (NAO) of Tanzania is established under Article 143 of the Constitution of the United Republic of Tanzania. The statutory duties and responsibilities of the Controller and Auditor General (CAG) are provided for in the Public Audit Act R.E. 2021. The NAO has the responsibility for undertaking external financial and performance audits of all government entities, public authorities, and other bodies at least once a year. In addition, the NAO is required to carry out performance audits and report to the Parliament on the economy, efficiency, and effectiveness in the use of public money and other resources. The performance audit performed by the NAO also covers the expenditure of funds being used for procurement of goods and services by the government entities. The procurement legislation requires the Auditor General to state whether the provisions of PPA 2004 have been complied with in the annual report every year.

The other main key player is PPRA. The public procurement legislation, as well as its relevant amendments, is drafted by the MoF. PPRA is the organ with oversight powers on all public procurement activities carried out by all PEs in the country. PPRA has the responsibility of ensuring the application of fair, competitive, transparent, nondiscriminatory, and value-for-money procurement standards and practices in the public procurement system. The private sector is encouraged to participate in the public procurement system and there are programs in place to help build capacity among private companies including small businesses. The Public Procurement Act has provisions for exclusive preferences to local firms to ensure they effectively participate in public procurement opportunities and to build their capacity. CSOs are relatively well developed in Tanzania, however, they are not actively monitoring the performance of the public procurement system. Procurement legislation has no provisions empowering CSOs to exercise social audit and control in the procurement process.

## 2.3. National Policy Objectives and Sustainable Development Goals

Public procurement, among other things, provides the foundation for achieving socioeconomic, environmental, and technological goals. The implementation of the national development objectives and the achievement of Sustainable Development Goals (SDGs) depend largely on the procurement process of the given country.

National policy objectives in Tanzania are founded in the Tanzania Development Vision 2025 (TDV 2025). The TDV 2025 aims to ensure that poverty is eradicated, and Tanzania becomes a middle-income country by 2025. The TDV 2025 was launched in 1999 as a tool to rally national efforts toward achieving the expected social and economic development goals. The economic challenges experienced in the 1980s and 1990s define the strength and scope of the reforms. During this period, the country had experienced a



slower economic growth rate, severe shortages of essential goods and services, high inflation rate, low revenue collection, low export revenue, and an unsustainable public debt.

The Tanzania Development Vision (TDV) 2025 was launched when Tanzania was facing a huge external debt burden. Following this, Tanzania entered the Multilateral Debt Relief Initiative (MDRI) and the Heavily Indebted Poor Countries (HIPC) initiatives on the Debt Relief Programme (DRP) and the situation forced the government to prepare medium-term plans within the framework of the Poverty Reduction Strategy Paper (PRSP) supported by international financial institutions and donor countries.

The PRSP framework included the three-year Poverty Reduction Strategy (2000/01–2002/03) followed by the five-year Poverty Reduction Strategy known as MKUKUTA I (2005/06–2009/10). MKUKUTA I was followed by MKUKUTA II (2010/11–2015/16).

Another source of national policy objectives is the Long-Term Perspective Plan (LTPP) 2011/12–2025/26, which was prepared following the evaluation of progress toward the TDV 2025 goals conducted in 2009/10. The LTPP implementation was divided into three sequential phases of five-year development plans, each with a different theme. FYDP I (2011/12–2015/16), themed ‘unleashing Tanzania’s latent growth potentials’, was geared at identifying sectors that more effectively unlock growth potentials (. FYDP II (2016/17–2020/21) was assigned the theme: Nurturing an Industrial Economy with more issues of poverty reduction and improved living conditions. The focus on economic growth and reform as well as reducing poverty and improving people’s lives.

FYDP III 2021/22–2025/26, with the vision of realizing competitiveness and industrialization for human development, aims to create an environment for building on the achievements obtained since the launch of the TDV 2025. The main objective of the Third Five-Year Plan is to contribute to the realization of the National Development Vision 2025 goals. These goals include Tanzania achieving middle-income country status and continuing the transformation into an industrial country with high human development or a high standard of living.

The implementation of the FYDPs involves several government operational procedures including preparing a work plan for the implementation of sector projects and programs, the flow of financial resources requirements, and the monitoring and evaluation plan. These are in line with the pillars of good governance. For example, FYDP III’s implementation is based on the Budget Act Chapter 439, the Public-Private Partnership Act (PPPA) Chapter 103, the Credit Guarantee and Grants Act Chapter 134, and the Public Procurement Act (PPA) Chapter 410.

The global SDGs aim to achieve decent lives for all on a healthy planet by 2030. The 2030 Agenda for Sustainable Development is built on the Millennium Development Goals, which recognized the determination of member countries to take the bold and transformative steps urgently needed to shift the world onto a sustainable and resilient path.

Agenda 2030 was adopted when Tanzania Mainland was already implementing the TDV 2025 aiming to accelerate the transformation of the country into a semi-industrialized middle-income country by 2025. The TDV 2025 is implemented through a series of medium-term poverty reduction strategies and development plans. Agenda 2030 coincided with the formulation of FYDP II (2016/17 to 2020/21). Therefore, the integration of the SDGs started with FYDP II and continued with FYDP III (2021/22 to





2025/26), focusing on realizing competitiveness and industrialization for human development. FYDP III is the last medium-term plan in the implementation of the TDV 2025.

The URT (2023) confirms that Tanzania has made moderate progress in goal 12, target 7, on promoting public procurement practices that are sustainable. The progress at a glance indicated that the indicators on target 12.4.1, proportion of large projects complying with approved Environmental Impact Assessment (EIA) audit regulations and climate action, improved from 978 in 2019 to 2,013 in 2022. Similar progress is noted for indicators 12.4.2 and 12.5.1, but there is no specific measurable progress at a glance on target 12.7 on promoting public procurement practices which are sustainable for 2019–2022..

The Tanzania Sustainable Development Platform (TSDP) Report by Tanzania Civil Society on SGDs shows that the Transparent Public Procurement Rating (TPPR) ranks Tanzania's public procurement at 9 in comparison with 25 other countries from Africa, Europe, South America, and Asia (TSDP 2019). The scores show that Tanzania received 90 percent in efficiency, 34 percent in transparency, 71 percent in integrity and accountability, and 89.5 percent in competitiveness and impartiality, giving the overall score of 75 percent. This rating shows that Tanzania is doing well in the overall framework of its procurement though there is a need to improve transparency in its implementation as Tanzania is lagging in this area.

The main recommendation on SDG 12.7, sustainable procurement processes, as highlighted by the TSDP (2019), is on transparency of the procurement process. First, Tanzania's procurement practice should ensure the availability of procurement information from planning, tender announcement, awarding contracts to implementation.

Key areas to improve transparency include access to tender candidates' applications and bids, making it mandatory for the publication of bids and tender documentation; access to contracts and contract amendments (laws should guarantee disclosure of the signed contracts and their amendments); and access to contract performance information, calling for proactive efforts by the authority to ensure this information is made available to the public (TSDP 2019).

## 2.4. Public Procurement Reform

The Constitution of the United Republic of Tanzania contains provisions related to the finances of the government. Under the old public procurement system, the legal environment was based mainly on the Exchequer and Audit Ordinance, CAP 439 of 1961, and various laws establishing specific public authorities. The history of procurement reforms dates back to 1961 when the Exchequer and Audit Ordinance No. 21 was enacted as a legal mechanism to control public procurement and supply activities in the government sector.

The GoT has long realized the importance of public procurement to the economic development of the country and its contribution to poverty reduction. As part of its effort to improve the public procurement system, the government commissioned a study to assess the country's procurement system in 1996. The study concluded that the procurement system was fragmented, with no uniform system in place, as each entity operated differently using unregulated public procurement system. It was also found that no standard documents or records were used in the procurement function and there was no central organ responsible for coordination and regulation of the government procurement process (Assessment of the Country's Procurement System 2007).



Based on the results of the assessment, the government undertook measures to reform public procurement by enacting the PPA No. 3 of 2001 (PPA 2001). This act provided for the establishment of the Central Tender Board (CTB) as the central coordinating body for public procurement activities within the government. As a result, public procurements undertaken in the country from 2001 were governed by the PPA 2001 and its regulations. The regulations used were Public Procurement (Selection and Employment of Consultants) Regulations GN No. 137 and Procurement of Goods and Works Regulations, GN No. 138, both published on July 13, 2001. The LGAs used the regulations under Section 65 of the Local Government Finance Act 1982, the Local Government (Selection and Employment of Consultants) Regulations 2003 GN No. 48 and the Local Government (Procurement of Goods and Works) Regulations 2003 GN No. 49, both published on March 21, 2003. The same act established PPAA to deal with resolution of complaints and disputes arising from the government procurement process.

Under this procurement regime, CTB was mandated to regulate procurement activities of all public PEs. With CTB, the PEs were allowed to carry out procurement up to a certain threshold and those that were above the threshold provided in the regulations were processed by CTB on behalf of the PEs. It can be concluded that under CTB, the procurement undertakings were centralized. The shortcoming of this arrangement was that CTB was carrying out procurements, but there was no regulatory body to monitor it. There were also no time limits to process procurement actions.

In 2002, the World Bank carried out a country procurement assessment. The Country Procurement Assessment Report (CPAR) 2003 came up with several recommendations related to the legislative framework, the procurement system and processes, the capacity to conduct procurement, and the effects of corruption in the procurement process. The CPAR 2003 report recommended the following to improve the procurement system in the country: disseminate Local Government Regulations 2003, establish a procurement journal, amend the PPA 2001 to decentralize procurement undertakings, establish a procurement regulatory board, introduce time limits to process procurement, and provide protection to whistleblowers.

After CPAR 2003, Tanzania's procurement system underwent tremendous reform, accommodating the recommendations made in the assessment. One of the most important achievements was the enactment of the new PPA (2004) which repealed the PPA 2001. The PPA 2004 became operational in May 2005. The PPA 2004 fully decentralized the procurement functions to PEs and established the procurement oversight body, PPRA. Further to this important reform, the government fully operationalized PPAA with the function of resolving complaints and disputes arising from the procurement process.

In 2007, Tanzania assessed the Country's Procurement System (report was published by the Organization for Economic Co-operation and Development (OECD). The assessment was based on the OECD-DAC/World Bank structure of four pillars: I. Legislative and Regulatory Framework; II. Institutional Framework and Management Capacity; III. Procurement Operations and Market Practice; and IV. Integrity of the Public Procurement System. Among other recommendations, the assessment recommended building capacity for both PEs and bidders to comply with the PPA and its regulations, implementing enforcement and close monitoring of all PEs to use Standard Bidding Documents (SBDs), expediting establishment of a procurement and supplies professional board, monitoring and enforcing preparation and implementation of Annual Procurement Plans (APPs), engaging in formal dialogue with the public and private sectors to share views in improvement of procurement market, expediting finalization of anti-corruptions strategy in procurement, and developing code of ethics for procurement cadre and continuing





monitoring to ensure high standard of the ethics in public procurement. The above-referred assessments have positively contributed to substantive reforms in the Tanzania public procurement system, including the PPAs of 2001, 2004, and 2011 and subsequent amendments in 2016.

At present, the public procurement in Tanzania Mainland is governed by the PPA 2011, Cap 410 (as amended 2016), and the Public Procurement Regulations (PPRs), GN No. 446 of 2013 (as amended in 2016), and Cap 410 R.E. 2022. The legal framework is based on the United Nations Commission on International Trade Law (UNCITRAL) model. The legal framework is quite robust and covers all aspects of public procurement at all levels of government and is internationally acceptable. Under the PPA 2011, the procurement function is decentralized to PEs while PPRA provides oversight functions. The public procurement institutional setup comprises policy and monitoring functions as well as the implementation of the procurement law.

PPA 2011 enhanced the definition of fraud and corruption in broader terms by including definitions of coercive practices, collusive practices, and obstructive practices that were missing in the PPA 2004. Furthermore, the PPA 2011 vests powers in PPRA to blacklist and debar a bidder who has been debarred by a foreign country or international organizations such as the World Bank in cases related or unrelated to fraud and corruption for a period equal to the debarment by the international organization plus a further 10 years (for fraud and corruption cases) or five years (for non-fraud and corruption cases). PPRA is mandated to debar and blacklist a tenderer from participating in public procurement or disposal proceedings if fraud or corrupt practices are established against the tenderer, the tenderer fails to abide by a bid securing declaration, the tenderer breaches a procurement contract, or the tenderer makes false representations about his qualifications during the tender proceeding.

The PPA 2011 is supplemented by the PPRs (GN. No. 446) of 2013 as amended in 2016 and 2018. The 2016 amendments were the major ones and included the establishment of approved procurement standards, the establishment of approved standards for government buildings and furniture, the promotion of special groups, the registration for special groups, exclusive preference to special groups, payments for special groups, procurement directly from manufacturers, dealers, or service providers, competitive negotiations, and the use of incoterms in the evaluation and comparison of tenders. There are also ministerial circulars, orders, and other instructions. These include the Code of Ethics and Conduct for Public Officers and Tenderers Engaging in Public Procurement of 2021, GN. No. 804 (The Code). The Code was issued by the MoF and applies to all public officers, former public officers referred to under the Code, experts, and tenderers involved in public procurement. The Code, among other things, provides legal and ethical obligations to public officers and tenderers engaging in public procurement and prohibitions for public officers and tenders.

In 2018, the government, through PPRA, developed the Tanzanian National e-Procurement System (TANePS) as a web-based, collaborative system in compliance with the requirements of public procurement laws, to facilitate public procurement processes in Tanzania under World Bank technical support. It provided a unitary electronic platform for the procurement of all categories, complexity, or value as provisioned in the public procurement legislation in the country. In September 2019, the government announced the mandatory use of e-GP for all procurements and PE users and bidders to get training and register in the system. In May 2019, the World Bank, in collaboration with PPRA, conducted a Procurement Value Chain Analysis (PVCA)—one of the major recommendations was to use e-GP to enhance efficiency, integrity, and transparency in the procurement processes. Other recommendations



were amending the Procurement Act and its regulations for the TB approval to be limited to the top 10 percent high-value contracts to be defined in the regulations by providing suitable thresholds (new Act 2023 and its regulations have introduced thresholds for the tenders to be approved by the tender); revising SBDs (documents were revised); providing necessary guidance notes and training to the technical and procurement staff for preparing cost estimates based on prevailing market rates and other relevant information (MAPS recommendation - develop cost estimation module in NeST); and developing a communication strategy to reach out to the private sector and conduct regular business outreach programs to sensitize bidders about public procurement opportunities and build their capacity in preparing responsive bids (communication strategy was developed through World Bank support).

TANePS was rolled out in 864 PEs out of more than 3,000 PEs in the country. However, TANePS could not adequately achieve the desired efficiency and transparency in public procurement due to its lack of features like preparation of online bidding documents, online bid evaluation, approval, contract award, contract management, payment, recording and monitoring of key procurement performance data, connectivity with other PFM systems of the country, and so on. Considering the constraints, PPRA has developed and rolled out a new e-GP system, NeST, on July 1, 2023, replacing TANePS. The GoT has also recently amended the PPA to make the use of NeST mandatory in Tanzania Mainland. Successful implementation of the new e-GP system is likely to result in substantial administrative cost savings in the country.

The Permanent Secretary and Paymaster General vide Circular No. 2 of 2023/24 communicated official operationalization and use of NeST,<sup>10</sup> requiring all PEs to start using the new system effectively from July 1, 2023, and stop using the former e-GP system (TANePS) by October 1, 2023. The circular also prohibited the PEs from initiating and managing procurement activities outside the new e-GP system. The circular required all AOs to ensure compliance with the circular, PPA, PPR, and Procurement Guidelines.

The PPA Cap 410 R.E. 2022 was reviewed and followed by the promulgation of the PPA No. 10 of 2023 which was passed by the Parliament on September 7, 2023, and assented by H.E. the President of the URT on September 29, 2023, officially becoming a law. But it is awaiting its operationalization date which will be as published by the Minister of Finance in the Government Gazette along with the issuance of the new PPRs. Upon its operationalization, the new act shall repeal and replace Act No. 7 of 2011. PPA 2023 emphasizes value for money and provisions that guide supply in Tanzania. In addition, PPA 2023 establishes a framework for procurement for public entities which operate as commercial enterprises. It is also worth noting that the newly passed law was enacted in the Kiswahili language. It is therefore expected that the new law will later be translated into English. Until then, the PPA 2011 and its regulations of 2013 are still in full force.

Despite these efforts, delays in procurement completion and capacity constraints in procurement management have been identified as major challenges for timely delivery of public services and implementation of development operations in Tanzania. The average procurement time is about 356 business days in Tanzania, which is quite high compared to the average of other Eastern and Southern African countries. About 70 percent of Tanzania's annual budget, or US\$13 billion, is spent through public procurement. Therefore, any improvement in the public procurement system is likely to result in significant economic benefits to the country in addition to improvement in efficiency in service delivery

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<sup>10</sup> <https://www.ppra.go.tz/>



and enhancement of transparency. The GoT is keen to implement the green/sustainable procurement policy linked to net zero; increase access for small and medium enterprises (SMEs) (particularly women-owned SMEs) in the public procurement market; and engage citizens at the local and national levels to promote transparency, accountability, and efficiency in public procurement/contract implementation.

The World Bank recently approved the Public Finance Management and Procurement Systems for Service Delivery Program (PforR)—US\$50 million to be implemented by the MoF and key entities in the PFM and procurement function. The program's objective is to strengthen institutional capacity, efficiency, transparency, and accountability in public resource management. Result Area 2 will support efforts to strengthen public procurement management. The associated disbursement-linked indicators (DLIs) are (a) share of procurement in Mainland and Zanzibar that PEs processed through NeST and the e-Procurement Zanzibar (e-ProZ) system; (b) publication of contract data by MDAs and PAs in Mainland (as per the Open Contracting Data Standard [OCDS] corresponding to the 'X' percentage of contracts awarded through NeST); (c) the reduction of the average processing time for the procurement cycle (invitation to award) for national competitive procurement through NeST for MDAs and Public Authorities (PAs) of Mainland to '120' days or less; (d) percentage of tender documents in NeST (Mainland) following open competitive tender methods by MDAs and PAs that included specific sustainable procurement criteria, whether economic, environmental, and/or social; and (e) increase of registered active local tenderers in NeST and contracts awarded to women-owned SMEs. The DLIs will cover specific activities to enhance the e-GP systems of the Mainland and Zanzibar to make the systems full-fledged, covering all procurement methods and all steps of each procurement method, contract management, and payment functionalities.

The program will also support (a) interoperability of NeST with the government payment system (*Mfumo wa Ulipaji Serikalini*, MUSE) and other financial management systems; (b) development of a procurement audit module of NeST powered by artificial intelligence and machine learning features; (c) update of the procurement capacity development curriculum; (d) implementation of a comprehensive procurement capacity development program; (e) a strategic communication and change management program for the countrywide rollout of the e-GP systems; (f) development and adoption of a sustainable supply chain management policy covering the economic, environmental, and social aspects of procurement; (g) implementation of a special program to increase participation and awarded contracts to special groups, particularly women-owned SMEs; and (h) implementation of the key policy recommendations of the ongoing assessment of the Tanzania Public Procurement System following MAPS.

Under the program, some of the agreed indicators are 75 percent of tender documents in NeST following open competitive tender methods in the MDAs and PAs of Mainland have included specific sustainable procurement criteria by 2028, 90 percent of the MDAs and PAs in Mainland have published the contract data (as per the OCDS) awarded through NeST by 2028, and the average processing time for the procurement cycle (invitation to award) for national competitive procurement through NeST for all MDAs and PAs of Mainland has been reduced to 120 days or less by 2028.

## 2.5 Public Procurement Challenges

PPRA is faced with insufficient human and financial resources which results in limited capacity to execute its functions as mandated by the PPA. This is a systemic issue in Tanzania which affects the performance of all government organizations and requires an overall public sector reform, which is beyond standard procurement reform initiatives. The required number of staff as per the PPA organization structure is 258



while the available staff is 144 (as of May 23, 2024). During FY2022/23, PPRA audited 23 percent of the total registered PEs, significantly lower than the target of 50 percent. Since there is a continuous increase in the number of registered PEs (inclusive of the delegated entities) in NeST (1,147 as of June 4, 2024), the monitoring challenge will continue especially on the procurement, contract, and performance audits.

The planning of the procurement process seems to pose significant problems to PEs either due to inadequate fund disbursement which resulted in financial claims or other process-related issues which led to limited implementation of the procurement plan (according to the PPRA report for FY2021/22, about 50 percent of the procurement plan had been implemented by the audited entities). The enforcement of a new law will require additional efforts from procurement professionals to get acquainted with the revised provisions which may result in insufficient time to address the existing challenges. Professionalization of procurement professionals is key to ensuring that procurement is used as a strategic function for better service delivery and sustainable procurement outcomes in line with policy objectives.

Established centralized PEs are also faced with inadequate capacity which affects the execution of functions mainly due to a lack of updated systems and facilities, inadequate human resources, or inadequate planning and forecasting of requirements to effectively meet the needs of end users. It is expected that the improvement of NeST will address some of the issues; however, access to procurement and contract data and adequate data analysis skills are a must to inform the development of centralized procurement strategies.

While NeST is a welcome improvement in the public procurement system in Tanzania, the fact that important features are either not operational or not available and that the information cannot be downloaded and viewed in machine-readable format creates difficulties in adequately monitoring the functioning of the public procurement system during the entire public procurement cycle (from planning to contract implementation). Due to its introduction in July 2023, it was not possible to assess the way the system was able to facilitate the activity of the PEs as statistical information was not available. In addition, since the number of NeST users continues to increase, there will be a constant need to ensure adequate and timely training to ensure the effective use of the system.

Although the public procurement laws, regulations, and operational instruments, including information on the procurement processes, are available either on the PPRA website or NeST, CSOs are not actively involved in monitoring the functioning of the public procurement system nor they participate in the different stages of the procurement process. Increasing the transparency of the public procurement system is expected to lead to an improvement in the level of trust in the public procurement system which is largely connected to the wider governance system. The 2021 Ibrahim Index of African Governance Report ranks Tanzania well among its African peers on governance at a broad level (21 out of 54 in Africa), higher than the African average (48.9) or the regional average for Eastern Africa (46). However, there has been a slight decline in the scoring on Safety and Rule of Law which encompasses dimensions that affect the public procurement system, such as Accountability and Transparency.

Challenges related to the complaint and appeal system refer mainly to the absence of effective monitoring and evaluation of the decisions issued by the appeals authority and the inadequate level of trust among bidders regarding the trustworthiness of appeals decisions. The appeals authority has insufficient resources to conduct business outreach to all its stakeholders on the applicability of the recently developed complaint and appeal management module, lacks a mechanism to conduct virtual appeal



hearing sessions to reduce complaint and appeal administrative costs to the parties, and has limited access to diversified skills and competencies.

## 3. Assessment

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### 3.1. Pillar I - Legal, Regulatory and Policy Framework

Pillar I assesses the existing legal, regulatory, and policy framework for public procurement. It identifies the formal rules and procedures governing public procurement and evaluates how they compare to international standards. The practical implementation and operation of this framework is the subject of Pillars II and III. The indicators within Pillar I embrace recent developments and innovations that have been increasingly employed to make public procurement more efficient. Pillar I also considers international obligations and national policy objectives to ensure that public procurement lives up to its important strategic role and contributes to sustainability.

**Indicator 1. The public procurement legal framework achieves the agreed principles and complies with applicable obligations**

The indicator covers the different legal and regulatory instruments established at varying levels, from the highest level (national law, act, regulation, decree, and so on) to detailed regulation, procedures, and bidding documents formally in use.

#### **Synthesis of the Indicator**

The public procurement legal framework in Tanzania substantially achieves the principles of integrity, competition, accountability, economy, efficiency, transparency, and value for money. The current principal legislation is the PPA 2011 Cap 410 R.E. 2022. The act is supported by the PPRs 2013, as also amended in 2016 and 2018. However, a new procurement law (PPA 2023) was passed in 2023 and is currently awaiting operationalization of the regulations before becoming operational and repealing the PPA 2011 R.E. 2022.

The legal framework covers all aspects of procurement, including goods, works, non-consulting services, consulting services, and public-private partnerships (PPPs), under a clear and hierarchical legal structure. It also provides clear procurement methods established at an appropriate hierarchical level, along with the associated conditions under which each method may be used. These include competitive methods as the default, along with less competitive methods as alternatives in defined circumstances. Fractioning of contracts to limit competition is prohibited. The legal framework requires that procurement opportunities are publicly advertised unless the restriction of procurement opportunities is explicitly justified. PEs are required to give sufficient time to the bidders consistent with the procurement method nature and complexity of the procurement. The content published includes enough information to allow potential bidders to determine whether they can submit a bid and are interested in submitting one.

The legal framework mandates that the evaluation criteria are objective, relevant to the subject matter of the contract, and precisely specified in advance in the procurement documents, so that the award decision is made solely based on the criteria stipulated in the documents. It also allows the use of price and non-price attributes and/or the consideration of life-cycle cost as appropriate to ensure objective and



value-for-money decisions. However, apart from procedures for procurement of consulting services using rated criteria (scoring of technical and financial proposals) (Reg. 299-304 of the PPR 2013), there are no procedures for evaluation of non-price attributes in procurement of goods, works and non-consulting services, other than including them as qualification criteria and compliance specifications.

## Findings

### ***Sub-indicator 1(a): Scope of application and coverage of the legal and regulatory framework***

The legal framework of Tanzania public procurement is clearly structured, distinguishing laws, regulations, and procedures, with precedence firmly established. The act is the principal legislation, while the secondary legislation comprises regulations and other lower-level, more detailed instruments such as ministerial orders, guidelines, and circulars issued by Tanzania PPRA, used to regulate more detailed procedures for implementation. The current principal legislation is the PPA 2011 Cap 410 R.E. 2022. The act is supported by the PPRs 2013, as also amended in 2016 and 2018. However, a new procurement law (PPA 2023) was passed in 2023 and is currently awaiting operationalization regulations before becoming operational and repealing the PPA 2011 R.E. 2022.

The Tanzania public procurement legal framework covers all procurement for goods, works, and services, including consulting services and disposal of public assets for all procurement using public funds (PPA 2011 Section 2(1)(a)). The procurement law also applies to nongovernment entities, for procurement financed from specific public finances, and PPP projects, in their relevant stages (PPA 2011 Section 2(1) (b&c)).

In addition to the regular mechanisms of disclosure of national laws through the Official Government Gazette, various websites, including the Parliament of Tanzania,<sup>11</sup> the Judiciary of Tanzania,<sup>12</sup> the 'Laws of Tanzania' website,<sup>13</sup> the Office of the Attorney General,<sup>14</sup> and other ministries and/or responsible government institutions depending on the nature of the law, regulations, and policies, the public procurement laws, ministerial orders, and ministerial instructions relating to public procurement and circulars are published on the Tanzania PPRA website,<sup>15</sup> which is accessible free of charge. The website provides searchable legal instruments, including PPAs, PPRs, public notices, procurement guidelines, and manuals. Except for the newly enacted PPA, most of the documents are in the English language.

### ***Sub-indicator 1(b): Procurement methods***

Procurement methods are detailed in the Tanzania public procurement law and regulations. Section 64 of the PPA makes competitive tendering a default method despite permitting other methods stipulated under the regulations (PPR). The PPR covers in detail the methods and procedures for procurement of goods, works, and non-consultancy services and their conditions of use (Parts V and IX). Part V provides an extensive list of procurement methods for goods, works, and non-consulting services, while Part IX provides methods for selection and employment of consultants. However, the public procurement law

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<sup>11</sup> <https://www.parliament.go.tz/>

<sup>12</sup> <https://tanzlii.org/>

<sup>13</sup> <https://tanzanialaws.com/>

<sup>14</sup> <https://oagmis.agctz.go.tz/public>

<sup>15</sup> [www.ppra.go.tz](http://www.ppra.go.tz)





lacks attention to risk considerations in the design and choice of procurement methods although risk assessment and mitigation are key factors in the pursuit of value for money in procurement procedures.

The PPA and its regulations provide for both competitive and less competitive methods of procurement. The competitive procurement methods include international and national competitive as well as competitive quotations-shopping, while the less competitive procurement procedures include restricted tendering, Single Source, minor and micro value procurement, use of force account procedure, and direct procurement from manufacturers, dealers, or service providers (Sections 4A, 64, 65, 65A, 67, and 67A and Regulations 149A, 150, 151, 163, 165, 166, and 167).

Fractioning of contracts to limit competition is prohibited by the law. Section 49(1)(c) requires PEs to avoid splitting procurement, to defeat the use of appropriate procurement methods unless such splitting is to enable wider participation of local consultants, suppliers, or contractors, in which case PPRA shall determine such an undertaking.

The PPA and its regulations set the standards for competitive procedures. These include requirements for the use of competitive procurement as a default method; timely and adequate notification of the PEs' requirements; and an equal opportunity to tender for the required goods, works, services, or non-consultancy services (PPA 2011 Sections 64(1) and 67). They also set requirements for open advertisement of procurement opportunities, standard procurement processing time, thresholds, use of SBDs, and so on, for compliance by PEs (Regulations 149, 150, 151, 158, and 184).

#### ***Sub-indicator 1(c): Advertising rules and time limits***

The public procurement framework establishes rules for advertising procurement opportunities, which are critical for ensuring transparency, competitiveness, and fair access to procurement information. Regulation 19 (PPR) requires PEs to advertise all tender notices for competitive procurement in PPRA's Journal and Tender Portal along with other platforms depending on the method of procurement as specified in the First Schedule of the Regulations. It is worth noting that since the launch of the Tanzania e-Government Procurement system (TANePS, and now NeST), a government Circular No. 2 of 2023/24 was issued requiring all PEs to process all procurement activities through the e-GP system, including advertising procurement opportunities. This is in line with Section 63 of the PPA 2011 RE 2022. The PPA and regulations provide sufficient time in procurement opportunities for potential bidders to obtain documents and respond to the advertisement. Section 68(3) of the PPA requires tender notices to be published in sufficient time, as prescribed in the regulations, to enable prospective tenderers to obtain tender documents and prepare and submit their responses before the deadline for receipt of tenders.

All PEs in Tanzania are required to publish all procurement opportunities in NeST except when the PE does not have electronic facilities. Section 63 of the PPA states that PEs shall ensure that procurement or disposal by tender is implemented and reported through electronic procedures or manually where electronic facilities are not available. This was emphasized by the MoF through Circular No. 2 of 2023/24 on the use of NeST (<https://nest.go.tz>). Access to the procurement opportunities by prospective bidders is free except that the bidders must register and create a profile in the system before they can view the details of the procurement opportunities.

The content of published procurement opportunities includes enough information to allow potential bidders to determine whether they can submit a bid and are interested in submitting one. Sections 18 and



19 of the PPA 2011 require PEs to publish general procurement notices (GPNs) and specific procurement notices (SPNs) with sufficient details to inform market players. The law also requires PEs to use standard tender documents detailing sufficient information and issuing the same information to all prospective tenderers to ensure equal opportunities (Section 64 PPA 2011). The standard tender documents are prepared and maintained by PPRA and are largely in line with international standards in terms of requirements for disclosed information in procurement notices.

***Sub-indicator 1(d): Rules on participation***

The public procurement legal framework establishes that participation of interested parties is fair and based on qualification and in accordance with rules on eligibility and exclusions. Regulation 9 of the PPR 2013 requires that participation in the invitations to tender or proposal and awarding contracts shall be open on equal terms and open to all persons, companies, or firms regardless of nationality, except in cases where the PE decides, on grounds specified in the procurement regulations or other written law.

The public procurement law permits the participation of state-owned enterprises only if they meet certain criteria. Regulation 6(5) states that a government-owned enterprise may participate if the enterprise (a) is legally and financially autonomous, (b) operates under commercial law, and (c) is registered by the relevant professional registration body or authority.

The legal framework details procedures used to determine eligibility and ability to perform a specific contract.

***Sub-indicator 1(e): Procurement documentation and specifications***

The PPA establishes the minimum content of the procurement documents and requires that content is relevant and sufficient for suppliers to respond to the requirement. It requires that procurement documents contain sufficient information to enable the submission of responsive tenders/bids/proposals and documents prepared in compliance with the provisions of the PPA should establish the basis for a transparent evaluation and award process. SBDs are published by PPRA for use by PEs and the relevant level of detail varies according to the nature and complexity of the procurement covered by the SBD.

The PPA sets a requirement for the PEs to ensure the use of the Standard Tender Documents (STDs) that permit and encourage competition among tenderers and stipulate the evaluation criteria (Sections 6, 8, 9, 70, and 72). Also, the PPR provides the requirement for neutral qualification of tenderers and restricts the use of discriminatory criteria, requirements, procedures, and so on (Regulations 116 and 117 of the PPR). It also requires recognition of standards that are equivalent when neutral specifications are not available. Regulation 22(3) stipulates that where no other sufficiently, precise, or intelligible way of describing the characteristics of the goods, works, or services to be procured is provided, the words 'or equivalent' shall be used. Under the legal framework, potential bidders are also allowed to request a clarification of the procurement document, and the PE is required to respond on time and communicate the clarification to all potential bidders (in writing).

***Sub-indicator 1(f): Evaluation and award criteria***

The PPA provides a mandatory requirement that the basis for tender evaluation and selection of the successful tenderer as well as approval of the award of contract should be clearly specified in the tender document (Sections 72, 74, and 75). The legal framework allows the use of price and non-price attributes





and/or the consideration of life-cycle cost as appropriate to ensure objective and value-for-money decisions. Section 72(2) of the PPA 2011 provides that tender documents shall specify factors, in addition to price, which may be considered in evaluating a tender and how such factors may be quantified or otherwise evaluated.

The PPA and PPR require the use of a combination of price and non-price factors in evaluating proposals for consulting services, and clear procedures and methodologies for the assessment of technical capacity are defined. The PPR provides selection methods, procedures, and conditions for application, which include selection based solely on technical quality and selections based on combined technical quality and price consideration, compatibility of technical proposals and least cost consideration, quality and fixed budget, and consultants' qualification (Regulations 258–262). Regulation 259(1)(5)(8) of the PPR specifies that with regard to the selection procedure based solely on technical quality, the firm submitting the best technically acceptable proposal is given priority.

The PPR provides for combined selection methods for consulting services as per Regulations 260–262. Also, the PPR clearly defines the relative weight for procurement (Regulations 299(4) and 304). The legal framework mandates that during the evaluation period, information on the examination, clarification, and evaluation of bids/proposals is not disclosed to participants or to others not officially involved in the evaluation process. Regulation 306 provides a mandatory requirement for confidentiality.

Although the legal framework permits the inclusion of non-price attributes and life-cycle cost considerations, there are no procurement procedures, tools/guidelines for rated criteria evaluation methods in cases of goods, works, and non-consulting services.

#### ***Sub-indicator 1(g): Submission, receipt, and opening of tenders***

The opening of tenders is well regulated by the PPA and its regulations. Tenders submitted before the deadline are received and opened. The Secretary to the TB is mandated by the PPA to receive the tenders and any tender received after the deadline is returned unopened as per Section 73(2) of the PPA. This process is well captured in the current NeST. The requirement is to open tenders immediately after the closing time as per Section 73(3) of the PPA. The records of proceedings for bid openings are retained and available for review. Under Section 38, the PPA stipulates the responsibilities of the Head of the PMU (the secretary to the TB) to maintain and archive records of the procurement and disposal process. The contents of records, accessing of records, duration of storage, and manner of disclosure are provided under the PPA regulations (Regulation 15 of the PPR). Records of tender opening are made available to the public and can be accessed by any interested party.

Security and confidentiality of bids are maintained before bid opening and until after the award of contracts. Received tenders and their records are required by law to be kept securely by the responsible person. The PPA gives the responsibility of securely holding envelopes or packages containing any tenders (Regulation 195 of the PPR) to the Secretary of the TB. With the use of NeST, the tenders are signed digitally by the tenderer and encrypted so as not to be opened until the opening date (Regulation 351 of the PPR).

The legal framework provides a clear modality for tender submission and receipt (Regulation 351 of PPR). Under the manual and electronic systems, tenders are required to be submitted before the deadline for submission and any tender received before the submission deadline shall be considered for evaluation



(Regulations 195 and 351). Under the electronic system, the tenderer is given the responsibility to ensure the integrity, completeness, and authenticity of their submission; for electronic records entered online and files containing the tender being unreadable for any reason, the tender submitted is not considered for further processing.

***Sub-indicator 1(h): Right to challenge and appeal***

The PPA, its regulations, and tendering documents provide rights to bidders to challenge decisions made by the AO regarding any tender (Section 96 of the PPA). Sections 96, 97, and 101 of the PPA provide for three levels of reviews: the PE level (AO decision), appeals level (PPAA decision), and judicial review. Section 101 of the PPA provides a specific period within which the decision of an independent appeal body (PPAA) can be subject to higher-level review through judicial review of the High Court. Tenderers are given the right to submit complaints and, when not satisfied with decisions, may appeal to PPAA or the High Court of Tanzania if aggrieved by the decision of the appeals authority (PPA, Sections 99–101, and Regulations 104–107 of the PPR).

The legal framework also contains provisions that make it possible to respond to a challenge with administrative review by another body, independent of the PE, that has the authority to suspend the award decision and grant remedies and establish the right for judicial review. For administrative review by the AO, the law requires the AO to ensure that all complaints are dealt with accordingly before proceeding with the award. In the case of appeals, the AO is required to suspend the process until the appeal is concluded. However, the suspension made for an appeal to PPAA does not apply where the PE certifies to PPRA that urgent public interest considerations require the procurement to proceed. Certification by PPRA is conclusive with respect to all levels of review except for the judicial review (Section 100 of the PPA).

It also establishes time frames for the submission of challenges and appeals and for the issuance of decisions by the institution in charge of the review and the independent appeals body. Regulations 105(1) and 107(1) of the PPR provide for the timeline within which the tenderer is required to submit its complaints, which is seven working days after the tenderer becomes or should have become aware of the circumstances giving rise to the complaint or dispute. All appeal decisions by PPAA are published on the PPAA websites (<https://www.ppaa.go.tz/en/>) and are easily accessible by the public. The publication is made in observance of strict legislations for protecting sensitive information. Information on competitive positions of tenderers is not disclosed.

***Sub-indicator 1(i): Contract management***

The functions for undertaking contract management are clearly defined, and responsibilities are clearly stated under the PPR. The PPR and STDs stipulate the responsibilities of the buyer and seller as well as any subcontractors and other parties to the contract (Regulations 242–252). Although the PPA 2011 did not have any dedicated provisions for contract management, the same were included through its regulations (PPR 2013). However, the new Act (PPA 2023), No. 10 of 2023, has included contract management as part of the principal legislation, under Part IV (Sections 93–104).

The conditions for contract amendments are defined, ensure economy, and do not arbitrarily limit competition. Section 33 of the PPA provides for responsibilities of the TB to approve amendments to ongoing contracts. Regulation 110 stipulates the conditions under which contract amendments may be



dealt with. Regulation 110 (4&5) prohibits a PE from authorizing any additions beyond the scope of the contract without having obtained prior written approval from the Paymaster General or appropriate budgetary approving authority and TB. The new law (PPA 2023) has removed the requirement for approval by the Paymaster General and budget approving authority if the cost implication of the contract changes is less than 15 percent of the original contract value (PPA 2023 Section 95(1)). However, the new law has introduced a requirement for PEs to seek the Attorney General's review before any changes are made to a procurement contract (PPA 2023 Section 95(2)).

There are efficient and fair processes to resolve disputes promptly during the performance of the contract. Dispute resolutions are provided for under Regulations 247(2) and 243(4) of the PPR. Where an agreement to remedy the irregularities in the performance of a service provider or contractor cannot be reached, the PE is required to notify the service provider or contractor of the breach of the terms of the contract and may, in addition, invoke the procedure for instituting disputes prescribed in the contract (Regulation 243(4)).

The final outcomes of dispute resolution are enforceable. The contract conditions as built into the SBDs provide clear contractual dispute resolution mechanisms which have contractual force and are therefore enforceable before the courts of law. The contracts provide for amicable resolution as the simplest method and litigation as the highest and most undesirable means.

***Sub-indicator 1(j): Electronic procurement (e-Procurement)***

The legal framework allows or mandates e-Procurement solutions covering the public procurement cycle, whether entirely or partially. It also ensures the use of tools and standards that provide acceptable access to the system, considering privacy, security of data, and authentication. Regulation 342(1) states that the electronic public procurement (e-PP) systems shall be implemented by all PEs in full or partially in parallel with the conventional manual procedures. The legal framework covers, among other things, the system's key terms interpretation (Regulation 349), objectives and usage (Regulation 341), scope and application (Regulation 342), access to system features (Regulation 344), users' registration (Regulation 345), use by the evaluation committee (Regulation 354), and access to the e-auction process (Regulation 362).

The legal framework requires that interested parties be informed which parts of the processes will be managed electronically. Section 63 of the PPA clearly provides a mandatory requirement for PEs to ensure that procurement is implemented and reported through electronic proceedings or manually where electronic facility is not available. However, Section 73 of the new PPA No. 10 of 2023 removes the option for the use of electronic and manual procurement but rather mandates that all PEs procure through the electronic system and in case of any challenges, PPRA must issue a guidance notice to users.

***Sub-indicator 1(k): Norms for safekeeping of records, documents, and electronic data***

A comprehensive list of the procurement records and documents related to transactions including contract management is established. The PPA provides a mandatory requirement for PEs to maintain a record of its procurement proceedings in which it is involved for not less than five years (Section 61). Also, the PPR provides a requirement for record keeping with regard to procurement or disposal proceedings and tender opening (Regulations 15, 199, and 339).

There is a document retention policy that is both compatible with the statute of limitations in the country for investigating and prosecuting cases of fraud and corruption and compatible with the audit cycles. The



PPA and its regulations are read with other relevant laws (Section 18 (2)). Thus, the PPA provides powers to PPRA to require or collect relevant documents from PEs in the exercise of its regulatory powers (Section 18). Security protocols to protect records are established through physical and or electronic means. This is through PEs' open and confidential files as well as PEs' accounts in NeST which contain security features for safeguards (Section 63). Regulation 340 of the PPR defines 'electronic document' and its means of transmission through e-PP systems. Also, Regulations 344 and 345 provide access to e-PP features and registration of users of e-PP systems.

### ***Sub-indicator 1(l): Public procurement principles in specialized legislation***

The legal framework provides general principles and standards of procurement and disposal by tender, emphasizing the need to conduct procurement in a manner that maximizes integrity, competition, accountability, economy, efficiency, and transparency and achieves value for money (Section 4A). However, the act permits the use of different procedures for certain public organizations or sectors, such as national security organs (PPA 2011 Section 2(2)), and the issuance of special regulations to govern procurement for state-owned enterprises, or as the new law refers to them, 'commercial public enterprises' (unofficial translation) (PPA 2023 Section 49).

Public procurement principles and/or laws apply to the selection and contracting of PPPs, including concessions as appropriate. The general principles and standards of procurement apply to the selection and contracting of PPPs including concessions as the PPA contains a dedicated part for PPP matters with regard to scope applicability and approval as well as the selection of a transaction adviser or manager (Sections 79–82). Thus, in implementing PPPs, the PEs should comply with the principles and conduct their procurement in a manner that maximizes integrity, competition, accountability, economy, efficiency, and transparency and achieves value for money (Section 4A).

Also, the responsibility to develop policies and support the implementation of PPPs is clearly assigned. The PPPA established a PPP Steering Committee (SC) responsible for reviewing policy, legislation, plans, and strategies pertaining to the promotion, facilitation, and development of PPPs and to advise the Minister responsible for PPP.

### **Substantive Gaps**

There is one substantive gap under the **sub-indicator 1(f), assessment criteria 1(f)(b)**, which assesses whether the legal framework allows the use of price and non-price attributes and/or the consideration of life-cycle cost as appropriate to ensure objective and value-for-money decisions.

1. The exclusion of cabinet decisions from the application of the public procurement law on matters pertaining to public contracting limits the transparency, accountability, fairness, and value for money in using public funds or in disposal of public assets, which is contrary to international standards and best practices.
2. While the legal framework permits the inclusion of non-price attributes and life-cycle cost considerations, there are no procurement procedures, tools/guidelines for rated criteria evaluation methods for goods, works, and non-consulting services.

The risks associated with this gap have been assessed to be high because of the potential impact on the government's sustainability objective especially as the new public procurement law has signaled the



intention of the government to implement sustainability policy through public procurement. A red flag is assigned to the first gap because its mitigation cannot be implemented without changing the public procurement law by the parliament.

## Minor Gaps

### *Sub-indicator 1(f): Evaluation and award criteria*

#### Recommendations

- Develop procurement tools (for example, SBDs and evaluation guidelines) for rated criteria to operationalize non-price attributes in procurement processes and capacity building on its application.
- Introduce rated criteria evaluation methods with clear guidance on how to determine the weighting of evaluation criteria for goods, works, and non-consulting services. This will be useful in evaluating non-price attributes and life-cycle cost considerations in bids. It can be done by preparing guidelines and developing NeST to allow evaluation of non-price factors using scoring system.

#### Summary of substantive gaps and recommendations of Indicator 1

Substantive gap	Risk	Recommendations
Assessment criteria 1(a)(b): The exclusion of cabinet decisions from the application of the public procurement law on matters pertaining to public contracting limits the transparency, accountability, fairness, and value for money in using public funds or in disposal of public assets, which is contrary to international standards and best practices.	High risk with red flag	The PPA 2023 should be amended to ensure the public procurement law covers goods, works and services, including consulting services for all procurements using public funds and all disposals of public assets.
Assessment criteria 1(f)(b): While the legal framework permits the inclusion of non-price attributes and life-cycle cost considerations, there are no procurement procedures, tools / guidelines for rated criteria evaluation methods in cases of goods, works, and non-consulting services. Also, the public procurement law does not provide for determination of weightage of evaluation criteria for goods, works, and non-consulting services.	High risk	Develop procurement procedures, tools (for example, SBDs and evaluation guidelines) for rated criteria to operationalize non-price attributes in procurement processes and capacity building on its application and introduce rated criteria evaluation methods with clear guidance on how to determine the weighting of evaluation criteria for goods, works, and non-consulting services.

## Indicator 2. Implementing regulations and tools support the legal framework

This indicator verifies the existence, availability, and quality of implementing regulations, operational procedures, handbooks, model procurement documentation, and standard conditions of contract. Ideally the higher-level legislation provides the framework of principles and policies that govern public



procurement. Lower-level regulations and more detailed instruments supplement the law, make it operational, and indicate how to apply the law to specific circumstances.

### **Synthesis of the Indicator**

The assessment reveals that implementing regulations are formulated and aligned with the overarching public procurement laws. The regulations supplement the law and offer detailed provisions of the procurement law and do not contradict the law. The responsibilities for maintaining and updating regulations are clearly assigned to PPRA, which helps in adapting the procurement system to changes. The PPA Cap 410 provides room for the Minister responsible for finance to prepare regulations (Section 105). The PPRs, as outlined in the PPR GN. No. 446 of 2013, are clear and comprehensive. Model procurement documents are provided for use for a wide range of goods, works, and services, including consulting services procured by public entities. However, although the legal framework provides the model procurement documents, there are no model standard documents for leasing and renting services, multistage bidding, and their application guidelines. This leads to lack of standardization of processes in procurement of such services.

### **Findings**

#### ***Sub-indicator 2(a): Implementing regulations to define processes and procedures***

There are regulations that supplement and detail the provisions of the procurement law and do not contradict the law. The PPA Cap 410 provides room for the Minister responsible for finance to prepare regulations (Section 105). Thus, the PPR GN. No. 446 of 2013, as amended, was prepared by virtue of Section 105 of the PPA. The regulations are comprehensive and consolidated and accessible on the PPRA website. The PPRs, as outlined in the PPR GN. No. 446 of 2013, are comprehensive. However, the PPR has undergone multiple amendments, through GN. No. 121 in 2016, GN. No. 557 of 2018, and GN. No. 290 of 2019. Following the enactment of the new PPA No. 10 of 2023, a new set of regulations (PPR 2024) has been drafted and is pending operationalization on the date to be published in the Government Gazette by the Minister of Finance.

The responsibility for maintenance of the regulations is clearly established, and the regulations are updated regularly as the need arises. For instance, since the PPR was prepared in 2013, it has been amended four times (through GN. No. 121 in 2016, GN. No. 333 of 2016, GN. No. 557 of 2018, and GN. No. 290 of 2019) to cater for the economic changes and the diversities in public procurement. However, the four amendments have always remained in separate cross-referenced pieces of documents. The government has indicated that new regulations under the PPA 2023 will soon be issued in a consolidated form.

#### ***Sub-indicator 2(b): Model procurement documents for goods, works and services***

Model procurement documents are provided for use for a wide range of goods, works, and services, including consulting services procured by public entities. The PPA and the PPR require the preparation and review of model STDs for use in various public procurement (Section 9 (1)(d) and (e) of the PPA). The STDs are made available through NeST to all users.

PPA and its regulations have a standard and mandatory set of clauses and the same have been incorporated in the tendering documents prepared by PPRA. Mainly, the contents of the STDs include the



Instruction to Tenderers (ITT), Bid Data Sheet (BDS), General Conditions of Contract (GCC), and Special Conditions of Contract (SCC).

All STDs are prepared to cater for common procurement as stipulated under the PPA and its regulations, and one of the functions of PPRA is to ensure the use of the STDs in procurement as per Section 9 (1) (e) of the PPA.

However, although the legal framework provides the model procurement documents, there are no model standard documents for leasing and renting services, multistage bidding, and their application guidelines. This leads to lack of standardization of processes in procurement of such services.

***Sub-indicator 2(c): Standard contract conditions***

There are standard contract conditions for the most common types of contracts, and their use is mandatory. STDs prepared under Section 9 (1) (d) of the PPA contain standard contract conditions. There are contract conditions for each procurement category (goods, works, non-consulting and consulting services). The use of these contract terms is mandatory. Under the PPA and its regulations, one of the functions of PPRA is to enforce the use of the STDs and the standard contract conditions by PEs (Section 9 (1) (e) of the PPA 2011).

The content of the standard contract conditions is generally consistent with internationally accepted practice. The standard contract conditions contain all necessary provisions in line with internationally accepted practice. Standard contract conditions are an integral part of the procurement documents and made available to participants in procurement proceedings. STDs prepared under Section 9 (1) (d) of the PPA contain a standard contract condition which are the GCC and the SCCs. The GCC are standard general clauses that remain unchanged except for some clauses which need to be changed to meet with the requirement of the particular contract; such changes can only be done through the SCC. So generally, the SCC supplements the GCC and the SCC supersedes the GCC in cases of conflict between the two. All STDs are prepared to cater for common procurement as stipulated under the PPA and its regulations and one of the functions of PPRA is to ensure use of the STDs in procurement as per Section 9 (1) (e) of the PPA. All STDs are made available for use through NeST (Section 63).

***Sub-indicator 2(d): User's guide or manual for procuring entities***

There is a comprehensive procurement manual(s) detailing all procedures for the correct implementation of procurement regulations and laws. Section 106 of PPA Cap 410 provides mandates to PPRA to issue various guidelines on better implementation of the act and its regulations. Thus, PPRA prepares a number of guidelines and manuals which streamline procedures for correct implementation of the procurement regulations and laws. This can be accessed through the websites of PPRA ([www.ppra.go.tz](http://www.ppra.go.tz)) and NeST ([www.nest.go.tz](http://www.nest.go.tz)).

Responsibility for maintenance of the manual is clearly established, and the manual is updated regularly. All guidelines are properly maintained by PPRA and Section 9 (1)(d) provides a clear means for preparation and updating of various guidelines/manuals.

**Substantive Gaps**

There are no substantive gaps under indicator 2.





## Minor Gaps

- Although the legal framework provides the model procurement documents, there are no model standard documents for leasing and renting services, multistage bidding, and their application guidelines. This leads to lack of standardization of processes in procurement of such services.

## Recommendations

### ***Sub-indicator 2(b): Model procurement documents for goods, works, and services***

- PPRA should develop standard model documents and application guidelines for leasing and renting services and multistage bidding.

## Indicator 3. The legal and policy frameworks support the sustainable development of the country and the implementation of international obligations

This indicator assesses whether horizontal policy objectives, such as goals aiming at increased sustainability and support for certain groups in society, and obligations deriving from international agreements are consistently and coherently reflected in the legal framework, that is, whether the legal framework is coherent with the higher policy objectives of the country.

## Synthesis of the Indicator

The assessment indicates lack of policy to implement SPP in support of broader national policy objectives, except a slight mention of the term ‘sustainability’ in Sections 5(2)(b) and 9(b) of the new PPA No. 10 of 2023. The assessment team was informed that the policy for implementation of SPP is currently under preparation through the MoF and SPP is expected to be considered under the PPR 2024. There are also currently no systems and tools in place to operationalize, facilitate, and monitor the application of SPP. However, given the recognition of SPP under Sections 5(2)(b) and 9(b) of the new PPA, the SPP implementation plan is likely to be prepared in line with the operationalization of the PPA No. 10 of 2023 and its regulations of 2024.

## Findings

### ***Sub-indicator 3(a): Sustainable Public Procurement (SPP)***

There is currently no policy in place to implement SPP in support of broader national policy objectives. However, the new PPA 2023 recognizes the need for sustainable procurement considerations as one of the procurement objectives (Sections 5(2)(b) and 9(b) of the PPA No. 10 of 2023). There are also no systems and tools in place to operationalize, facilitate, and monitor the application of SPP. However, the legal and regulatory framework only allows for certain aspects of economic sustainability. Section 4A (2) of Cap 410 indicates that compliance to economy is one of the general principles and standards of procurement and disposal by tender. Regulation 327 of the PPR GN. No. 446 mandates that a disposing entity must pay due regard to repair and reuse of goods whenever practicable and economically viable before disposing them by tender and procuring new replacement.

Although the national Environmental Management Act (EMA) 2004 (Section 6) requires every person living in Tanzania to safeguard and enhance the environment and inform the relevant authority of any





activity and phenomenon that may affect the environment significantly, the public procurement legal framework does not have a well-balanced application of sustainability criteria to ensure value for money.

The current absence of a policy and tools designed to operationalize, facilitate, and monitor SPP inhibits the effective integration and application of sustainable practices within public procurement processes.

### ***Sub-indicator 3(b): Obligations deriving from international agreements***

Public procurement-related obligations deriving from binding international agreements are clearly established under Section 4 of PPA, Cap 410, which states that “To the extent that this Act conflicts with an obligation of the United Republic under or arising out of: (a) any treaty or other form of agreement to which the Government is a party with one or more other states or political sub-divisions of such states; or (b) any grant agreement entered into by the Government with an inter-governmental or international financing institution in which the Government is the beneficiary, the requirement of such treaty or agreement shall prevail, but in all other respects, the procurement shall be governed by this Act.” Public procurement-related obligations deriving from binding international agreements are reflected through Section 4 of PPA, Cap 410, and implemented through binding international agreements, such as specific project financing agreements.

### **Substantive Gaps**

There are four substantive gaps under sub-indicator 3(a) which assesses whether the procurement legal framework supports sustainable procurement:

1. While there is recognition of SPP in the public procurement legal framework, the absence of a fully developed and implemented SPP policy hinders the operationalization of SPP.
2. The current absence of specific systems and tools designed to operationalize, facilitate, and monitor SPP inhibits the effective integration and application of sustainable practices within public procurement processes.
3. While sustainable procurement is permitted under the legal framework, the absence of operationalization tools hinders the implementation of SPP.
4. The current public procurement law does not have a well-balanced application of sustainability criteria to ensure value for money.

The risks associated with these gaps has been assessed to be high because the significance of potential impact on the government’s sustainability objective. A red flag is assigned to the first gap because its mitigation cannot be accomplished within the procurement system.

### **Minor Gaps**

There are no minor gaps under indicator 3.

### **Recommendations**

#### ***Sub-indicator 3(a): Sustainable Public Procurement (SPP)***

- Develop a strategy and amendments to existing procurement laws and regulations to ensure full integration of SPP procedures with a specific emphasis on green procurement to achieve net zero.



- Develop an SPP policy.
- Implement targeted awareness and capacity-building programs for all procurement officials and relevant stakeholders on SPP principles, benefits, and practices.
- Develop SPP implementation tools, including, but not limited to, guidelines, bidding documents, and monitoring and evaluation framework, including a guidance note on green procurement.
- Create an SPP window in NeST to enable compliance monitoring, data tracking, and implementation performance measurement.
- Build capacity of the GPSA to enable measuring the carbon emissions for government fuel stations and putting in place appropriate measures to achieve net zero.
- Institute proactive measures to ensure women empowerment in public procurement, including developing targeted outreach programs and maintaining e-learning programs.
- Carry out a market assessment of the current capacity of women-owned enterprises followed by the implementation of a capacity development program.

### Summary of substantive gaps and recommendations of Indicator 3

Substantive gap	Risk	Recommendations
Assessment criterion 3(a)(a): While there is recognition of SPP in the public procurement legal framework, the absence of a fully developed and implemented SPP policy and implementation tools hinders the operationalization of SPP.	High risk with red flag	Develop a strategy, tools, and amendments to existing procurement laws and regulations to ensure full integration of SPP procedures with a specific emphasis on green procurement to achieve net zero.
		Develop the SPP policy.
Assessment criterion 3(a)(b): The current absence of specific systems and tools designed to operationalize, facilitate, and monitor SPP inhibits the effective integration and application of sustainable practices within public procurement processes.	High risk	Implement targeted awareness and capacity-building programs for all procurement officials and relevant stakeholders on SPP principles, benefits, and practices.
		Develop SPP implementation tools, including, but not limited to, SPP strategy, guidelines, bidding documents, and monitoring and evaluation framework, including a guidance note on green procurement.
		Create an SPP window in NeST to enable compliance monitoring, data tracking, and implementation performance measurement.
		Build capacity of the GPSA to enable measuring the carbon emission for government fuel stations and putting in place appropriate measures to align with net zero.
		Institute proactive measures to ensure women empowerment in public procurement, including developing targeted outreach programs and maintaining e-learning programs.
		Carry out a market assessment of the current capacity of women-owned enterprises followed by



Substantive gap	Risk	Recommendations
		the implementation of a capacity development program.
Assessment criterion 3(a)(c): While sustainable procurement is permitted under the legal framework, the absence of operationalization tools hinders the implementation of SPP.	High risk	Develop SPP implementation tools, including, but not limited to, SPP strategy, guidelines, bidding documents, and monitoring and evaluation framework.
Assessment criterion 3(a)(d): The current public procurement law does not have a well-balanced application of sustainability criteria to ensure value for money.	High risk	Develop SPP implementation tools, including, but not limited to, SPP strategy, guidelines, bidding documents, and monitoring and evaluation framework.

## 3.2. Pillar II - Institutional Framework and Management Capacity

Pillar II assesses how the procurement system defined by the legal and regulatory framework in a country is operating in practice, through the institutions and management systems that make up overall governance in its public sector.

Pillar II evaluates how effective the procurement system is in discharging the obligations prescribed in the law, without gaps or overlaps. It assesses (a) whether it is adequately linked with the country's PFM system, (b) whether institutions in charge of necessary functions are in place, and (c) whether the managerial and technical capacities are adequate to undertake efficient and transparent public procurement processes.

Tanzania has public procurement functions and institutions which are well elaborated in this pillar. The authority which carries out the normative functions, the PEs, and the designated PEs to carry out the centralized procurement functions have been established; the e-procurement system to support the procurement functions has been established and is operational; and the country public service recognizes procurement as a profession by establishing a professional board which deals with the procurement and supplies professionals.

Gaps in this pillar include inadequate funds disbursement in the committed procurements which constrained implementation of most of the planned activities and untimely claims clearance, limited scope in undertaking the periodic monitoring through procurement audits by PPRA due to limited financial and human resources, existence of some incidence of conflict of interest within the oversight institution, and lack of adequate monitoring mechanism for enhancing effective submission of quarterly internal audit reports by the PEs to the oversight institution. Also, it was noted that the designated centralized PEs have inadequate capacity to discharge their functions/responsibilities, attributed to the lack the updated systems and facilities, inadequate human resources, and inadequate planning and forecasting of requirements to effectively meet the need of the end users. Other gaps in this pillar include the impossibility of downloading and viewing the information within NeST in a machine-readable format, limited training on the use of e-procurement system provided to the procurement staff of the PEs, lack of in-depth assessment on the use of the electronic procurement system due to the absence of the data from the system, lack of third-part system audits to identify the system vulnerability and risks to take appropriate risk mitigation measures, and non-existence of user feedback function in the e-procurement system.



## Indicator 4. The public procurement system is mainstreamed and well-integrated with the public financial management system

This indicator focuses on how well integrated the procurement system is with the PFM system given the direct interaction between procurement and financial management, from budget preparation to planning treasury operations for payments.

### Synthesis of the Indicator

Annual or multiannual procurement plans are prepared to facilitate the budget planning and formulation process, a feedback mechanism reporting on budget execution is in place regarding the completion of major contracts, and no solicitation of tenders/proposals takes place without certification of the availability of funds. Some gaps have been identified, including inadequate funds disbursement, which constrain the implementation of most of the planned activities and untimely payment to suppliers, contractors, and service providers attributed to bureaucracies within the PE or outside the PEs, which unnecessarily lengthen the payment process.

### Findings

#### ***Sub-indicator 4(a): Procurement planning and the budget cycle***

The PPR sets the requirement for funds allocation or commitment by the PEs before the commencement of procurement proceedings. During budget preparations, the PEs identify all requirements which require funds commitment. Based on the budget prepared by the PE, the procurement plan is prepared with a clear description of each specific requirement. Any emerging requirement not in the procurement plan needs prior approval from the AO with confirmation of funds availability so that it can be included in the plan before implementation.

Even though the PPRs clearly set procedures and actions to be taken while preparing the procurement plans, there has not been effective adherence to the procurement plan due to inadequate funds disbursement. According to the Annual Performance Evaluation Reports (APERs) prepared by PPRA, the implementation of the procurement plan has been a key challenge in most of the PEs, with only a portion of the planned activities being implemented. The report for FY2020/2021 indicated that the implementation of the procurement plan for 19 percent of the audited entities was between 15 percent and 45 percent of the total planned procurement. This signifies that, although funds were allocated for implementation of activities reflected in the procurement plan, disbursements of funds were not observed. Further, the APER for FY2021/2022 indicated that, out of 21,189 planned tenders by 232 audited entities, only 10,540 tenders were implemented, which is equivalent to 49.74 percent of total planned tenders.

#### ***Sub-indicator 4(b): Financial procedures and the procurement cycle***

In the PPRs, it is clearly prescribed that payments should be made timely to the tenderers as a means of supporting the growth of the local firms. Further, the STDs issued by PPRA provide the time limit for paying suppliers/contractors/service providers after fulfilling their contractual obligations and submitting payment invoices. The GCCs of the standard tender documents issued by PPRA require timely settlement of payment; otherwise, the contractor/service provider/supplier is entitled to receive financing compensation (interest charges) compounded monthly on the unpaid amount during the delayed period.



In line with the public procurement requirements together with GCC regarding the timely payment of invoices, standards for processing invoices are provided by the Public Finance Act and Regulations. Invoices are processed along with the required Local Purchase Order (LPO) (which can be generated from MUSE) and the relevant delivery certificate and inspection reports. Payments are carried out by respective PEs upon internal approval of invoices or progress reports.

Even though clear mechanisms for payments are in place, timely payment of invoices has been a major concern for suppliers, service providers, and contractors. Several bureaucratic hurdles in the approval processes that are not related to financial constraints have been observed within the PE and others which are not within the mandate of the PE, requiring clearance by the MoF. The long communication channel in the approval process, together with untimely decision-making by the responsible mandate after receiving payment claims, unnecessarily lengthens the payment process. Due to delays in payments, interest charges have been claimed and paid by the implementing agencies, as evidenced through the CAG audit report for FY2022/23, where payments delayed by one MDA resulted in accumulated interest charges of TZS 34.82 billion. Also, the CAG Report for FY2022/23 identified seven LGAs with outstanding contractor claims due to delays in disbursement by the Treasury. The total value of the outstanding claims was TZS 2.22 billion, with delays ranging from 55 to 270 days following approval.

For donor-funded projects, the GoT, through the MoF, issued Treasury Circular No. 2 of 2019 on Procedures for Requesting and Transferring Donor Funds Direct to the Development Projects (D-Fund System) with Ref. No. EB/AG/485/01/Vol.XI dated September 4, 2019, aimed at better managing and controlling funds provided by donors. This went hand in hand with the introduction of the GoT's locally developed accounting system, namely MUSE. With this circular and requirements of the MUSE system, the government changed the process of managing donor-funded project funds from a semiautonomous one, where project teams made all payments without direct involvement of the MoFP to the current system where the MoF (MoFP by then) approves both requests for disbursements and requests for payments.

Not only the MoF, but sector ministries also have a role under the new system whereby projects can only submit requests to their parent ministry which will then forward them to the MoF with a cover letter signed by the ministry's respective Permanent Secretary. Then, the request goes to the MoF (where it goes through the Internal Auditor General), the Department of External Finances, and lastly the Budget Department which will finally forward the request to the Permanent Secretary Treasury (PST) for approval. This process is for both disbursement and payment and takes an average of 45 days for payments while a few can take less than that and some can go well beyond three months. Apart from delaying suppliers/contractors/consultants working with projects, this hugely delays the implementation of project activities and the achievement of Project Development Objectives. Most projects that should have closed in 2021, 2022, 2023, and 2024 have been extended or requested to extend, for example, DMDP1, DUTP, TIRP1, DMGP, TAZA, and TREEP, just to cite a few cases.

## **Gaps**

### **Substantive Gaps**

#### ***Sub-indicator 4(a): Procurement planning and the budget cycle***



1. The disbursement constraints have been a major setback for the effective implementation of the planned activities. Although the requirements in the Annual Procurement Plans originate from the budgets prepared and funds are allocated, the disbursement is not effectively adhered to.

The risk is high considering that inadequate funds disbursements limit implementation of the planned activities, and the intended objectives are not likely to be achieved.

***Sub-indicator 4(b): Financial procedures and the procurement cycle***

2. Although procedures for payments are clearly provided, they are not adequately followed. Delays have been experienced in timely payment due to several bureaucratic hurdles in the approval processes that are not related to financial constraints. Due to delays in payments, interest charges have been claimed and paid by the implementing agencies as being evidenced through the CAG audit reports. Delays have been further cemented by the responses provided by the private sector through the survey which was conducted. Based on the survey results, 21.5 percent of the respondents had concerns regarding delays in payment.

The risk is high considering that delays in payments unnecessarily increase the project costs due to interest charges on delayed payments.

**Recommendations**

***Sub-indicator 4(a): Procurement planning and the budget cycle***

- The MoF to disburse funds as per the planned activities if these are directly originated from the ministry or funds to be set aside by the PE if they are originated from their own internal generating sources.
- NeST to be fully linked with the budget and accounts to automatically calculate the real-time implementation status in terms of budget utilization of ongoing and finished contracts.
- Introduce a legal requirement of the mandatory use of NeST and remedies for all public procurement in a phased approach.

***Sub-indicator 4(b): Financial procedures and the procurement cycle***

- PEs to streamline the internal processes to facilitate timely processing of payments.
- For donor-funded projects, the government should revisit the approval process of D-Fund system which seemed to be lengthened unnecessarily, to avoid unnecessary delays in settling payments.

**Summary of substantive gaps and recommendations of Indicator 4**

Substantive gap	Risk classification and red flags	Recommendations
<b>Sub-indicator 4(a): Procurement planning and the budget cycle</b>		
Assessment criteria 4(a)(b): Inadequate funds disbursement have been a major setback for the effective implementation of the planned activities.	High risk	<ul style="list-style-type: none"> <li>• The funds to be disbursed according to the planned activities.</li> <li>• NeST to be fully linked with the budget and accounts to automatically calculate the real-time implementation status in terms of</li> </ul>



Substantive gap	Risk classification and red flags	Recommendations
		budget utilization of ongoing and finished contracts. <ul style="list-style-type: none"> <li>Legal requirement of mandatory use of NeST and remedies for all public procurement in a phased approach.</li> </ul>
<b>Sub-indicator 4(b): Financial procedures and the procurement cycle</b>		
Assessment criteria 4(b)(b): Untimely payment of invoices to suppliers, contractors, and service providers is attributed to bureaucracies within the PE or outside the PEs which unnecessarily lengthen the payment process	High risk	<ul style="list-style-type: none"> <li>PEs to streamline the internal processes to facilitate timely processing of payments.</li> <li>For donor-funded projects, the government should revisit the approval process of D-Fund system which seemed to be lengthened unnecessarily to avoid unnecessary delays in settling payments.</li> </ul>

## Indicator 5. The country has an institution in charge of the normative/regulatory function

This indicator refers to the normative/regulatory function in the public sector and its proper discharge and coordination. The assessment of the indicator focuses on the existence, independence, and effectiveness of these functions and the degree of coordination between responsible organizations. Depending on the institutional setup chosen by a country, one institution may oversee all normative and regulatory functions. In other contexts, key functions may have been assigned to several agencies; for example, one institution might be responsible for policy, while another might be in charge of training or statistics. Generally, the normative/regulatory function should be clearly assigned, without gaps and overlaps. Too much fragmentation should be avoided, and the function should be performed as a well-coordinated joint effort.

### Synthesis of the Indicator

There is legal and regulatory framework specifies the normative/regulatory function and assigns appropriate formal powers to enable the institution to function effectively. The functions are clearly assigned in most of the defined instruments without creating gaps or overlaps in responsibility. However, there are some defined deficiencies including limited scope in undertaking periodic monitoring through procurement audits due to limited financial and human resources, lack of a monitoring mechanism for enhancing effective submission of quarterly internal audit reports by the PEs to the oversight institution, insufficient staff for oversight activities, and the existence of some incidences of conflict of interest at the level of the oversight institution.

### Findings

#### ***Sub-indicator 5(b): Responsibilities of the normative/regulatory function***

The responsibility of proposing changes/amendments to the legal and regulatory framework is vested in the MoFP. Amendments/changes to the legal and regulatory framework have been proposed on different occasions such as while preparing the new PPA of 2011 together with the procurement regulations that repealed the PPA of 2004 and PPR of 2005, the amendments of PPA 2011 and PPR of 2013 in 2016, and the PPA of 2023. A survey carried out in the private sector indicated that 12 percent of the respondents showed that the private sector is not consulted and engaged before introducing changes to the





procurement rules and regulations. Further, the survey results from the CSOs indicated that 24 percent responded that the CSOs have never been consulted and engaged before introducing changes to the procurement rules and procedures. Although the greater percentage of the opinions provided through the survey conducted in both the private sector and the CSOs indicated involvement/consultation while introducing changes to the procurement rules and procedures, the lesser percentage showing dissatisfaction with their involvement cannot be undermined.

Regarding monitoring public procurement, PPRA has the responsibility of monitoring the performance of public procurement. Monitoring is carried out through various approaches including routine and periodic monitoring. Routine monitoring is carried out through tracking the PE's performance in the whole procurement cycle starting from the initiation of the requirement from the User Department, approval to commence procurement by the AO, adequacy of the procurement method used, and the involvement of the approval machineries (TB and AO) within the PE. This is done through NeST where all procurement processes are handled.

PPRA carries out periodic monitoring through procurement audits (compliance and value-for-money procurement audits), investigations, and analysis of the submitted quarterly internal audit reports from the internal auditors of the PEs, providing the extent to which the PEs have complied with the Procurement Act on the procurement proceedings. The PPA sets the requirements for the internal auditors of the PEs to include in their quarterly audit reports whether the act and regulations have been complied with, and thereafter a copy of the report is to be submitted to PPRA by the AO. PPRA, upon receiving the internal audit reports, analyzes them and establishes the action to be taken if any violations of the PPA are observed. Having observed challenges in receiving the internal audit reports from all the PEs, PPRA was given access to the electronic system for receiving the quarterly audit reports by the Internal Auditor General (IAG) known as Government Audit Recommendation Implementation-Information Tracking System (GARI-ITS) under the MoFP to trace the procurement-related issues reflected in the audit reports as part of continuous monitoring of procurement issues. Despite such initiatives, receiving the internal audit reports continues to be a challenge due to the lack of a well-designed system to be used by PPRA for receiving the quarterly internal audit reports from the PEs which covers only the procurement component. Currently, PEs may submit the quarterly internal audit reports either through emails or via postal office. Therefore, only a limited number of reports are received. As per the PPRA APERs, the number of PEs that managed to submit the quarterly internal audit reports for FY2021/2022 was 124 out of 803 registered entities, and for 2022/2023, it was 250 out of 864 registered entities. Even though PPRA has been given access to GARI-ITS to trace the procurement-related issues in the quarterly internal audit reports, the procurement component is not sufficiently addressed compared to the financial component.

In the aspect of providing procurement information, PPRA is responsible for organizing and maintaining a system for the publication of data on public procurement opportunities, awards, and any other information of public interest. Previously, PPRA had systems which were used to provide procurement information, including the procurement journal, the Procurement Management Information System (PMIS), and the website. On introducing the electronic procurement system in Tanzania, PPRA migrated from the PMIS to TANEPS launched in July 2018 which was more advanced in archiving most of the procurement data/ information from the stage of preparation of the bidding document to contract management. According to the APERs prepared by PPRA, there was an unsatisfactory trend for PEs to





publish awards in the system. During FY2020/21, only 194 out of 718 PEs published awards in the system, while in FY2021/22, 1,225 tender awards were not published in the electronic procurement system.

TANePS had several challenges that required further transformation, leading to the introduction of a new system known as NeST. NeST is currently used to transact and archive procurement information from the stage of initiating the requirement by the User Department to the stage of managing the contract. Even though NeST was introduced and is operational, it is yet to function fully. Some modules, including e-contract modules, have not yet been operationalized, to enable access to all contract implementation information. Along with NeST, PPRA also uses other platforms to provide procurement information, including the website and the procurement journal. The public has open access to information relating to procurement (advertised tenders, awarded tenders, bidders awarded contracts), procurement guidelines, procedural forms, details on the registration of special groups, previous reports on the PEs' performance, the standard procurement documents, and training opportunities.

***Sub-indicator 5(c): Organisation, funding, staffing, and level of independence and authority***

The major sources of financing the operations of PPRA, as per the PPA, are government subventions, loans or grants from development partners, and revenue collected through the services rendered by PPRA (fees charged to bidders and PEs while using the electronic procurement system in transacting procurements). The APER FY2022/23 indicated that the annual approved budget was TZS 28.742 billion, consisting of TZS 19.729 billion for recurrent expenditure and TZS 9.013 billion for development expenditure. Until the financial year's end, TZS 24.94 billion, 86.78 percent of the Annual Budget, was disbursed. However, it was reported that PPRA experienced budgetary limits preventing a thorough audit of every PE within the relevant financial year.

The PPA has set mechanisms for the employment of PPRA staff in different designations. PPRA is required to employ directors who shall be principal assistants to the chief executive officer/director general, other officers, and staff of such number and titles for the efficient discharge of the functions of the authority on the terms and conditions as may be determined by the board. Except for the position of the AO, all staff of the authority are employed through a competitive recruitment process by the Tanzania Public Service Recruitment Secretariat or through the process of transferring public officers from other public institutions through the President's Office, Public Service Management, and Good Governance. Transfer or recruitment of staff to PPRA depends on the availability of funds and approval from the government. PPRA has already established five zonal offices in Mtwara, Mbeya, Tabora, Arusha, and Mwanza, aiming at improving service delivery standards. The PPRA organogram is yet to be fully supported. The required number of staff as per the organization structure is 258, while the available staff is 144 (as of May 23, 2024). The number of staff is inadequate for carrying out monitoring functions effectively.

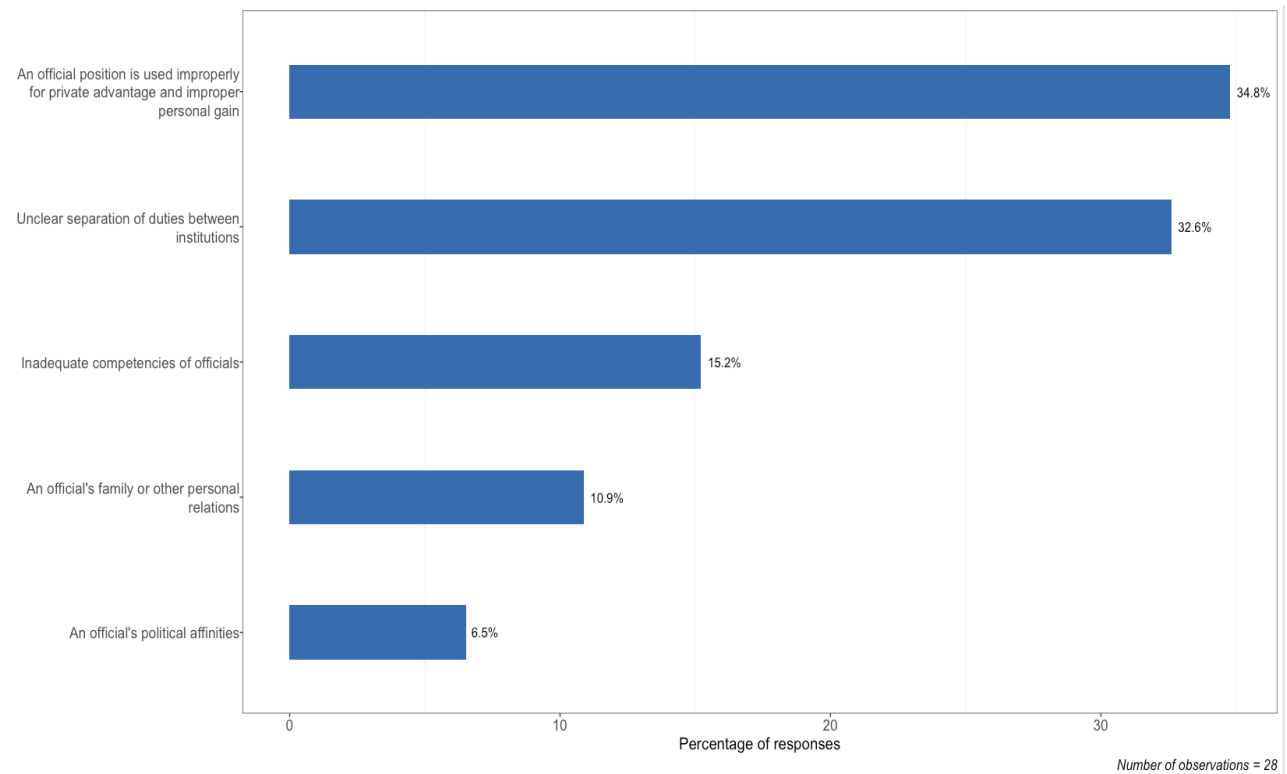
***Sub-indicator 5(d): Avoiding conflict of interest***

Conflict of interest is perceived as problematic by civil society/NGOs. About 58.8 percent (conflict of interest is obvious for 35.3 percent and abundant for 23.5 percent) consider that conflicts of interest are numerous or obvious and have experienced situations where the normative/regulatory institution or PE faced a conflict-of-interest situation (51.4 percent of the respondents). The opinion of the private sector representatives is slightly different; 32.8 percent of the private sector representatives consider that conflicts of interest are numerous or obvious and 33.6 percent have experienced a conflict-of-interest situation. Both NGOs and the private sector identify the use of personal position to own advantage or

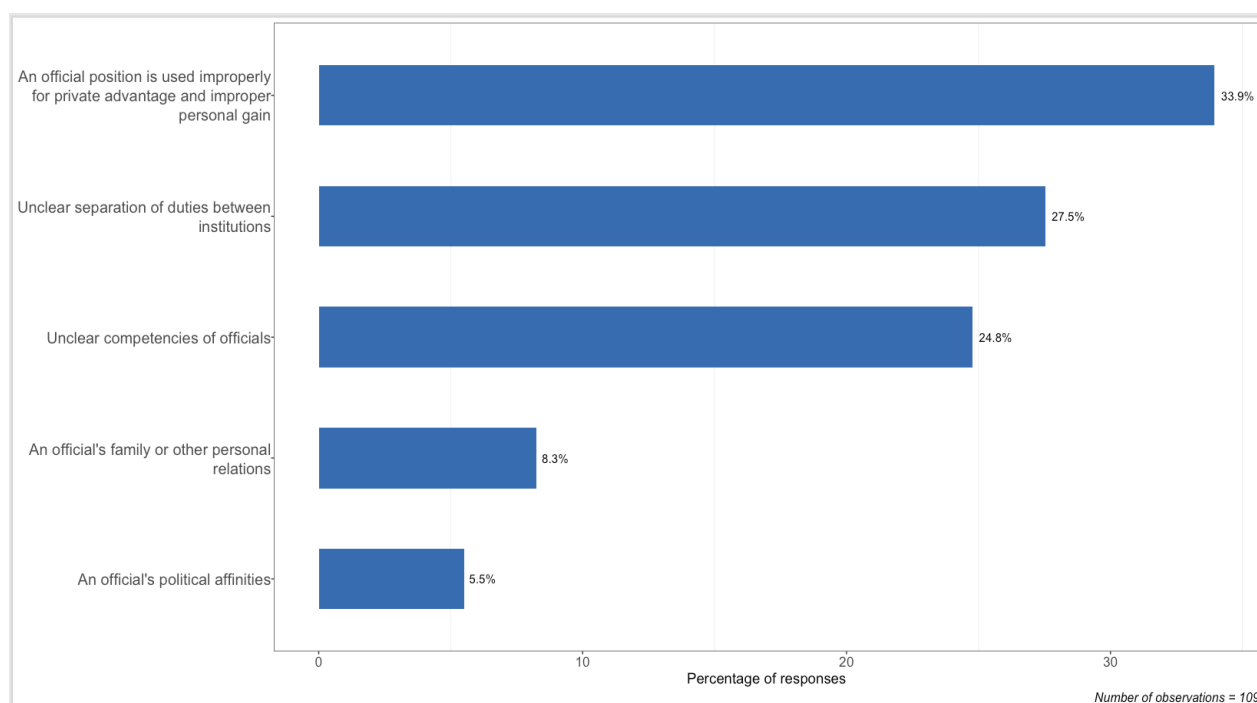


benefit (34.8 percent and 33.9 percent, respectively) and the unclear separation of duties between institutions (32.6 percent and 27.5 percent, respectively) as the two most predominant situations of conflict of interest.

**Figure 6. Survey results from the CSO**



**Figure 7. Survey results from the private sector**



## Gaps

### Substantive Gaps

#### ***Sub-indicator 5(b): Responsibilities of the normative/regulatory function***

1. Regarding monitoring of the PEs' performance by PPRA, the institution's Strategic Plan III for FY2021/22–2025/26 set the target for carrying out procurement monitoring for at least 50 percent of the PEs. However, for FY2022/23, only 239 out of 864 PEs were audited, representing 23 percent of the total registered PEs. This is mainly due to the limited human and financial resources. Since there is a continuous increase in the number of registered PEs (inclusive of the delegated entities) in NeST (1,147 as of June 4, 2024), the monitoring challenge will continue, especially on the procurement, contract, and performance audits. Further, there is no adequate mechanism established for receiving the quarterly internal audit reports from the PEs. Most of the PEs submit the reports to PPRA through emails or via postal office. Therefore, only a limited number of reports are received. As per the PPRA APERs, the number of PEs that managed to submit the quarterly internal audit reports for FY2021/22 was 124 out of 803 registered entities, and for 2022/2023, it was 250 out of 864 registered entities. Even though PPRA has been given access to GARI-ITS to trace the procurement-related issues in the quarterly internal audit reports, the procurement component is not sufficiently addressed compared to the financial component. The risk is high considering that limited financial resources limit the audit scope. It will be difficult to have a clear picture of PEs' compliance and procurement contract performance if the audit does not have a wider scope.



***Sub-indicator 5(c): Organization, funding, staffing, and level of independence and authority***

2. PPRA is constrained with insufficient funds for carrying out the periodic monitoring activity through procurement audits. This has a significant impact on the total number of the PEs to be audited within a financial year. The statistics provided in the APER indicated that during FY2022/23 only 239 out of 864 PEs were audited, representing 23 percent of the total registered PEs.
3. Regarding the staffing level of PPRA, the organogram is yet to be fully supported. The number of staff is inadequate to effectively carry out monitoring functions.

The risk is high considering that limited human and financial resources limit the audit scope. It will be difficult to have a clear picture of PEs' compliance and procurement contract performance if the audit does not have a wider scope.

**Minor Gaps**

***Sub-indicator 5(b): Responsibilities of the normative/regulatory function***

The public is not widely informed about the planned changes to the procurement legislation. As per the survey outcomes in both the private sector and CSOs, some respondents (12 percent and 24 percent, respectively) mentioned they were not involved in the change process to the procurement rules and procedures.

In providing access to procurement information, NeST is yet to be fully functional. Some modules, including the e-contract module, to enable access to all contract implementation information have not yet been operationalized.

***Sub-indicator 5(d): Avoiding conflict of interest***

Considering the opinions of the private sector and civil society, conflict of interest is perceived as problematic by civil society/NGOs. About 58.8 percent consider that conflicts of interest are numerous or obvious and have experienced situations where the normative/regulatory institution or PE faced a conflict-of-interest situation (51.4 percent of the respondents). The opinion of the private sector representatives is slightly different; 32.8 percent of the private sector representatives consider that conflicts of interest are numerous or obvious and 33.6 percent have experienced a conflict-of-interest situation. Both NGOs and the private sector identify the use of personal position to own advantage or benefit (34.8 percent and 33.9 percent, respectively) and the unclear separation of duties between institutions (32.6 percent and 27.5 percent, respectively) as the two most predominant situations of conflict of interest.

**Recommendations**

***Sub-indicator 5(b): Responsibilities of the normative/regulatory function***

- A proper mechanism for submitting internal audit reports should be established to strengthen monitoring of PEs' performance.



- Development of a procurement audit module of NeST powered by artificial intelligence and machine learning.

***Sub-indicator 5(c): Organization, funding, staffing, and level of independence and authority***

- The government to provide PPRA with sufficient financial and human resources for effective discharge of regulatory and monitoring functions.
- PPRA to consult the Ministry Responsible for Public Service Management and Good Governance on the required number of staff to enable effective discharge of monitoring and regulatory functions.

***Sub-indicator 5(b): Responsibilities of the normative/regulatory function***

- The ministry initiating changes in the PPA to increase public awareness.
- PPRA to expediate the development of the contract management module to allow publication of contract implementation information.

***Sub-indicator 5(c): Organization, funding, staffing, and level of independence and authority***

- PPRA to consult the MoF for financial assistance to supplement the budget deficit for the audit activity.

***Sub-indicator 5(d): Avoiding conflict of interest***

- Mechanisms for avoiding conflict of interest should be enhanced. This could include establishing a separate system to identify and avoid conflict of interest during execution of functions both at the level of the procuring entities and the PPRA. Such mechanisms could also include developing functionalities or integrating red flags indicators into NeST to detect potential conflict of interest.

**Summary of substantive gaps and recommendations of Indicator 5**

Substantive gap	Risk classification and red flags	Recommendations
<b>Sub-indicator 5(b): Responsibilities of the normative/regulatory function</b>		
Assessment criterion 5(b)(d): PPRA Strategic Plan III for FY2021/22–2025/26 set the target for carrying out procurement monitoring for at least 50% of the PEs. However, for FY2022/23 only 239 out of 864 PEs were monitored, representing 23% of the total registered PEs.	High risk	<p>A proper mechanism for submitting the internal audit reports should be established to strengthen monitoring of PEs' performance.</p> <p>Development of procurement audit module of NeST powered by artificial intelligence and machine learning.</p>



Substantive gap	Risk classification and red flags	Recommendations
<b>Sub-indicator 5(c): Organisation, funding, staffing, and level of independence and authority</b>		
Assessment criterion 5(c) (b): PPRA is constrained with insufficient funds for carrying out the periodic monitoring activity through the procurement audits. Assessment criterion 5(c) (c): PPRA organogram is yet to be fully supported. The number of staff is inadequate to enable carrying out monitoring functions effectively	High risk	The government to provide PPRA with sufficient financial and human resources for effective discharge of monitoring functions.

## Indicator 6. Procuring entities and their mandates are clearly defined

This indicator assesses (a) whether the legal and regulatory framework clearly defines the institutions that have procurement responsibilities and authorities, (b) whether there are provisions for delegating authorities to procurement staff and other government officials to exercise responsibilities in the procurement process, and (c) whether a centralized PE exists.

### Synthesis of the Indicator

The PEs are clearly defined, responsibilities and competencies are clearly defined, the decision-making authority is delegated to the lowest competent levels consistent with the risks associated and the monetary sums involved, accountability for decisions is precisely defined, and the country has considered the benefits of establishing a centralized procurement function in charge of consolidated procurement, framework agreements, or specialized procurement. Further, the legal status, funding, responsibilities, and decision-making powers for the centralized PEs are clearly defined, the accountability for decisions is precisely defined, and the body and the head of the body have a high-level and authoritative standing in government. However, the established entities with designated specialized procurement functions lack updated systems and facilities, adequate human resources, and adequate planning and forecasting of requirements to effectively meet the needs of the end users.

### Findings

#### ***Sub-indicator 6(a): Definition, responsibilities, and formal powers of procuring entities***

Based on the statistics obtained from the APERs for FY2020/21 and 2022/23 together with the Monitoring and Compliance Report for FY2021/22 from PPRA, the total number of registered PEs was 718, 803, and 864 for the three consecutive financial years. For all three consecutive financial years, the number of entities with specialized procurement functions is three, equivalent to 0.4 percent, 0.37 percent, and 0.35 percent, respectively. The three PEs account for 0.35 percent of the registered 864 PEs by PPRA as of June 2023. Details are as provided in Table 1.

**Table 1. Number of entities with specialized procurement functions**

FY	Number of registered entities	No of entities with specialized procurement functions	% of the total number of PEs
2020/21	718	3	0.42
2021/22	803	3	0.37
2022/23	864	3	0.35



The PPA designated GPSA, Medical Stores Department (MSD), and Tanzania Electrical, Mechanical, and Electronics Services Agency (TEMESA) to carry out specialized procurement functions. **GPSA** has been designated with the responsibility of bulk procurement of motor vehicles/cycles and plants for government institutions; clearing and forwarding for government institutions; third-party procurement; assurance of availability of quality office supplies and fuel for government institutions; safe and secure warehousing facilities for MDAs, LGAs, and public institutions; and arranging for the procurement of common use items and services by PEs through framework agreements for efficiency of the procurement process and reduction of procurement transaction costs within and across public bodies. During the past five years, GPSA concluded a total of 63,094 open framework agreements with local suppliers and service providers. Among the goods delivered through GPSA were 5,176 motor vehicles and 1,987 motorcycles amounting to TZS 779,489,528,265. The agency also cleared government consignment valued at TZS 3,122,845,985,352.39. GPSA is the sole entity authorized to supply fuel to all government vehicles in the country. During the past five years, GPSA supplied fuel valued at TZS 575,757,375,160.

**MSD** has been designated with the responsibility of preparing the detailed and acceptable schedule of requirements and specifications for medicines and medical supplies which shall be submitted to PPRA for use by PEs for the procurement of the supplies together with procuring medicines and medical supplies to meet the demand of the public hospitals within the country.

**TEMESA** has been designated with the responsibility of carrying out maintenance or repair of government-owned motor vehicles, plant and equipment, maintenance, repair, and installation of electrical, air conditioning and refrigeration, and electronics. Also, TEMESA is responsible for arranging through open or closed framework agreements, procurement of maintenance and repair services of government-owned motor vehicles, plant and equipment, and maintenance, repair, and installation of electrical, air conditioning and refrigeration, and electronics services.

On effective discharge of their functions, the three designated PEs for carrying out the centralized procurement functions have an established PMU staffed to an appropriate level. The PMUs have procurement and other technical specialists together with the necessary supporting and administrative staff. Even though the entities have well-established PMUs and technical staff to support procurement, nonperformance reports have been issued for the established entities. The reported nonperformance challenges including low capacity for discharging the responsibility have been noted in all the designated specialized PEs. GPSA is facing several challenges including low response of the PEs to submit their annual purchase requirements to enable the agency to set out an effective procurement strategy, the integrated management information system not being updated to meet all the control features for the services rendered, a shortage of staff in number and professionalism (whereby the agency has 262 employees compared to the actual need of 405 employees), monopolization of the motor vehicles market that affects the timely availability of motor vehicles, and failure of the PEs to efficiently consolidate their requirements through GPSA Inventory Management Information System (GIMIS) to enable comprehensive procurement forecasts, which in turn render an obstacle in convincing potential manufacturers who could supply directly to GPSA enjoying overall price discounts.

**MSD** has constraints in supplying medicines and medical facilities to the public health facilities. The APER for FY2022/23 indicated that out of 3,014 ordered medical items worth TZS 106.76 billion, only 881 items worth TZS 3.93 billion were supplied. The remaining 2,133 were not served as the medical items were out



of stock. Further, there is inadequate forecasting, planning, and management of the procured medicines. The APER for FY2022/23 indicated that 2.30 million items were expired, signifying that while medicines were procured, there was no proper forecasting of needs. Hence, the procured items remained unsold beyond their shelf life.

**TEMESA** has also been reported to have inadequate capacity in providing services on repair and maintenance of the government motor vehicles, attributed to the shortage of experts for carrying out repair and maintenance, staff lacking knowledge on the modern technology for undertaking repair and maintenance services, and inadequate equipment with modern technology for undertaking repair and maintenance services.

Apart from these issues, periodic inspections of the private garages were not carried out by TEMESA to establish whether they have the capacity to undertake maintenance of public vehicles during the period of their engagement. The cost estimates for spare parts prepared and charged to PEs for maintenance of vehicles were similar to those quoted by bidders who were issued with the LPOs by the respective agency, which indicated that the procurements were not done competitively. Also, hiring technical experts and equipment resulted in higher costs for repair and maintenance.

### **Substantive Gap**

#### ***Sub-indicator 6(a): Definition, responsibilities, and formal powers of procuring entities***

1. The three designated specialized PEs (GPSA, TEMESA, and MSD) have inadequate capacity to discharge their responsibilities. The established entities lack updated systems and facilities, adequate human resources, and adequate planning and forecasting of requirements to effectively meet the needs of the end users.

The risk is high considering that the performance of the PEs is highly dependent on the capacity of the personnel and systems for effective discharge of responsibilities; hence, if not available, the intended objectives will not be met.

### **Recommendations**

#### ***Sub-indicator 6(a): Definition, responsibilities, and formal powers of procuring entities***

- (i) The framework module under NeST should be developed to include an e-catalogue, buffer stock calculation, automated PO generation based on user needs, and delivery lead time.
- (ii) Building the capacity of staff in the areas of their expertise by the specialized PEs.
- (iii) GPSA to enhance the strategic planning process on gas station installations/construction to align with environmental requirements.
- (iv) Forecasting of requirements for medicines should be properly done before the commencement of procurement and the engagement of suppliers by MSD.
- (v) TEMESA to update the existing systems and acquire modern facilities to enhance effective discharge of functions by the designated centralized PEs.





- (vi) The centralized PEs which are not adequately staffed to consult the Ministry of Public Service and Good Governance for attaining more staff.

#### Summary of substantive gaps and recommendations of Indicator 6

Substantive gap	Risk classification and red flags	Recommendations
<b>Sub-indicator 6(a): Definition, responsibilities, and formal powers of procuring entities</b>		
Assessment criterion 6(a)(c): The three designated specialized PEs (GPSA, TEMESA, and MSD) have inadequate capacity to discharge their responsibilities. The established entities lack updated systems and facilities, adequate human resources, and adequate planning and forecasting of requirements to effectively meet the needs of the end users.	High risk	<ul style="list-style-type: none"> <li>The framework module under NeST should be developed to include an e-catalogue, buffer stock calculation, automated PO generation based on user needs, and delivery lead time.</li> <li>Building capacity of staff in the areas of their expertise by the specialized PEs.</li> <li>GPSA to enhance strategic planning process on gas station installations/construction to align with environmental requirements.</li> <li>Forecasting of requirements for medicines should be properly done before the commencement of procurement and the engagement of suppliers by MSD.</li> <li>TEMESA to update the existing systems and acquiring modern facilities to enhance effective discharge of functions by the designated centralized PEs.</li> <li>The centralized PEs which are not adequately staffed to consult the Ministry of Public Service and Good Governance for attaining more staff.</li> </ul>

#### Indicator 7. Public procurement is embedded in an effective information system

The objective of this indicator is to assess the extent to which the country or entity has systems to publish procurement information, efficiently support the different stages of the public procurement process through application of digital technologies and manage data that allow for analysis of trends and performance of the entire public procurement system.

#### Synthesis of the Indicator

Tanzania has established e-procurement system with free access to relevant procurement information which is complete and obtained timely. The electronic procurement system supports the procurement activities and is widely used by the PEs. Despite its existence, there are some identified setbacks including the following: the e-system lacks the capacity to provide the option for downloading and viewing the information in a machine-readable format, training on the use of the e-procurement system has not been widely provided to the procurement staff of the PEs, there is a lack of in-depth assessment on the use of the electronic procurement system due to the absence of data from the system, a third-party system audit has not yet been carried out to identify system vulnerabilities and risks to take appropriate risk mitigation measures, and the e-procurement system does not include any user feedback function.



## Findings

### ***Sub-indicator 7(a): Publication of public procurement information supported by information technology***

NeST has been designed to facilitate e-registration, e-tendering, e-contract management, e-payment, e-catalogue, and e-auction. NeST supports processes of procuring goods, works, consultancy, non-consultancy, and disposal of assets. The system supports various public procurement procedures including user registration, tender notification, tender preparation and submission, online tender evaluation, contract awarding, creation and management of catalogues, creation and management of framework agreements, and auctions and payments. The assessment lacked data to establish the percentages of the published procurement plan, the procurement information published along the procurement cycle, invitation to bid, contract awards, details related to contract implementation, or annual procurement statistics. This is with the exception of data on appeal decisions posted within the time frames specified in the contract which were received and discussed in Pillar IV.

NeST complies with the OCDS; however, it does not provide OCDS-based data and document disclosure in a machine-readable format. Today, OCDS is the de facto standard for disseminating procurement data and information in a machine-readable format from the different stages of the procurement and contract management processes. Also, it uses the data for comprehensive data analytics. Since the real-time transactional procurement and contract data from all the procurement and contracting processes reside in the e-GP system, the OCDS should be built into NeST, including capturing the geotags and setting up red flag indicators in the system to facilitate the dissemination of the real-time data and documents to the public for enhancing transparency, accountability, integrity, operational and strategic policy decisions, and innovations.

NeST does not provide the option for downloading and viewing data and information in a machine-readable format. The quantitative assessment was not carried out to establish the percentage of the share of procurement information and data published in an open data format due to the lack of data/information.

### ***Sub-indicator 7(b): Use of e-procurement***

In Tanzania, the use of the electronic procurement system came after the notice issued by the Paymaster General (Permanent Secretary for the MoF) through Circular No. 4 of 2019 on December 23, 2019. As per the APER for FY2020/21, 718 entities were already registered to use TANePS, indicating the response to the directive issued by the Paymaster General. TANePS was in use until July 2023 when the official notice No. 2 dated July 27, 2023, was issued to migrate to a new system, known as NeST, after realizing some challenges in TANePS which minimizes efficiency in the procurement process. NeST is currently used to carry out all procurement and archive all procurement information from the stage of initiating the requirement by the User Department to the stage of managing the contract. NeST allows the publication of the procurement plan and the GPN. As of April 24, 2024, the planned tenders to be launched by various PEs as per the published GPN were 77,595 with an estimated total value of TZS 30.12 trillion. Further assessment of the system's performance was not carried out due to the absence of data from the e-procurement system which could enable establishing the percentage of the number and value of procurement activities processed in the procurement system.

On the capacity of the government officials to manage the e-procurement systems, an SC was formed to ensure and address system implementation policy issues. The SC meets quarterly to review the progress



of the NeST implementation. The government has appointed experts in procurement, lawyers, IT systems analysts (ICT business analysts), and system developers for the NeST team. These experts, especially those to build the system (system developers), came from various institutions under the leadership of the e-Government Authority (e-GA). In addition, PPRA has seven experts (system developers) who are directly involved in the development of the system and will be supporting and enhancing the system once it is completed. The development and deployment approach are participatory at all stages, with the relevant stakeholders involved in providing their needs and improving the modules. Since the NeST team is assembled by bringing experts from different institutions, the team's sustainability must be ensured as the highest priority. If the team members disperse, it could become a big challenge for the system's sustainability. It is imminent that the e-GP Strategy has to be reviewed and updated to reflect the current context and strategic plan for the sustainability of NeST, including the rollout plan for central and local government PDEs, their IT infrastructure and capacity-building issues, staffing and their incentive policies, the institutionalization of the e-GP operation, bidding community adaptation, capacity building, and change management, and other policy interventions to enhance the e-GP system implementation successfully.

Few staff of the PEs have adequate skills on the use of the e-system, following trainings organized by PPRA. The majority of the users in the PEs registered in the system have not been trained on the use of the electronic procurement system, which continues to be a challenge for effective use of the system. However, some of the modules are under construction, including e-auction, contract management, and e-catalogue, which will also require intensive training for users.

NeST does not recognize micro, small, and medium enterprises (MSMEs). Registration is based on registered companies/firms in the categories of suppliers, contractors, service providers, and consultants. Thus, the assessment could not establish the percentage of bids submitted online by micro and medium enterprises out of the total number of submitted bids.

#### ***Sub-indicator 7(c): Strategies to manage procurement data***

No stand-alone system is in operation for collecting data on the procurement of goods, works, and services including consulting services supported by e-procurement or other information technology. Currently, all information related to procurement is directly captured through NeST from the planning stage to the award stage. NeST is not fully functional as some modules have not been operationalized and hence some of the procurement information cannot be accessed through NeST. This covers information relating to e-auction, contract management, and e-catalogue.

NeST captures and stores data along the workflow process and maintains the audit trail and logs in the system for data integrity, non-repudiation, and reliability. A lot of information is auto-populated from the direct source by integrating different government e-services with the system. Bidding data captured by the system are encrypted and remain encrypted. The internal quality assurance team regularly tests the systems; however, a third-party audit has not yet been carried out.

Regarding the system's capacity to carry out analysis of information on a routine basis, NeST has no such option yet. No routine analysis of information is carried out and instead it is consolidated and reported after the end of each financial year. Since there is no current report produced through the electronic procurement system, it is not possible to have the comprehensive statistical details on the total number and value of contracts awarded with their respective categories, the number of PEs that awarded such



contracts, details of the public procurement as a share of government expenditure and as a share of GDP, and the value of contracts awarded through competitive methods.

## Gaps

### Substantive gaps

#### ***Sub-indicator 7(a): Publication of public procurement information supported by information technology***

1. For the last five years, there was no centralized online portal to provide publication of procurement plans, information related to specific procurements at a minimum, advertisements or notices of procurement opportunities, procurement methods, contract awards, and contract implementation, including amendments and payments. In 2018, PPRA developed e-GP (TANePS) which was paper based and was not full-fledged to cover the whole procurement cycle. TANePS is no longer in existence and has been replaced by NeST since July 1, 2023, which has many modern features; however, not all of them are operational, and statistics on the procurement activity at the country level are missing.
2. NeST has the capacity to capture and store information in an OCDS format, but it is not published in a machine-readable OCDS format. The system also does not provide the option for downloading and viewing in a machine-readable format.

The risk assessment is high considering that the absence of quantitative data to assess the performance of the electronic system does not allow determining the system's performance in generating various procurement information.

#### ***Sub-indicator 7(b): Use of e-procurement system***

1. No data were provided for the last five years to establish the percentage and value of the procurement processes in the e-procurement system. There is an opportunity to improve NeST, and it is expected that at the end of the fiscal year, data can be generated.

The risk assessment is high considering that the absence of quantitative data to assess the performance of the electronic procurement system does not allow determining the system performance in generating various procurement information.

2. Training on the use of the e-procurement system has not been widely provided to the procurement staff of the PEs. The e-system users have increased in number from 864 to 1,114 Pes, majority of whom have not been trained on the use of the electronic procurement system and hence there may be challenges in effective use of the system.

The risk assessment is high due to the existence of the majority number of procurement staff who have not been adequately skilled to use the e-procurement system efficiently.

3. No data were provided on the participation of MSMEs in public procurement market; therefore, the calculation of the percentage of bids submitted online MSMEs was not possible. The risk assessment is high considering that the absence of quantitative data to assess the performance of the electronic procurement system does not allow determining the system's performance in generating various procurement information.



4. Since the NeST team is assembled by bringing experts from different institutions, the team's sustainability must be ensured as the highest priority. If the team members disperse, it could become a big challenge for the system's sustainability. The governance structure must be reviewed, and the team must be institutionalized as soon as possible. It is critical that the e-GP Strategy is reviewed and updated to reflect the current context and strategic plan for the sustainability of NeST, including the rollout plan for central and local government PDEs, their IT infrastructure and capacity-building issues, staffing and their incentive policies, the institutionalization of the e-GP operation, bidding community adaptation, capacity building, and change management, and other policy interventions to enhance the e-GP system implementation successfully.

The risk assessment is high considering that the team of experts assigned to develop NeST is from different institutions who will later return to their primary responsibilities, and hence the system's sustainability might be affected.

***Sub-indicator 7(c): Strategies to manage procurement data***

1. A third-party system audit has not yet been carried out to identify system vulnerabilities and risks to take appropriate risk mitigation measures.

The risk assessment is high due to the absence of information regarding system vulnerabilities which could enable establishing the risk mitigation measures.

2. The assessment could not establish the total number and value of the contracts published, public procurement as a share of government expenditure and share of GDP, and the total value of contracts awarded through competitive methods in the most recent year due to the absence of data from the e-procurement system/regulatory function. Further, the e-procurement system does not have a user feedback function.

The risk assessment is high considering that the absence of quantitative data to assess the performance of the electronic procurement system makes difficult the assessment of the system's performance in generating various procurement information.

**Minor Gap**

***Sub-indicator 7(c): Strategies to manage procurement data***

- NeST is yet to function fully as some modules have not been operationalized and hence some procurement information cannot be accessed through NeST. This covers information relating to e-auction, contract management, and e-catalogue. NeST does not provide data analytics on trends and other kinds of analysis.

**Recommendations**

***Sub-indicator 7(a): Publication of public procurement information supported by information technology***

- NeST to capture, publish, and produce reports on procurement from the planning stage to the contract closure stage.



- NeST to publish the data from the different stages of the procurement processes in a machine-readable OCDS format, allowing easy download and viewing by the interested users.

**Sub-indicator 7(b): Use of e-procurement**

- NeST to be improved to include and generate data and key performance indicators regarding the functioning of the procurement system.
- Develop a framework module under NeST including an e-catalogue, buffer stock calculation, automated PO generation based on user needs, and delivery lead time.
- More financial resources to be deployed for building the capacity of the users of the electronic procurement system.
- Review the options for the institutionalization of the e-GP Unit with a sustainable policy framework for retaining skilled staff of the unit and ensuring the smooth operation and growth of the system in the future.

**Sub-indicator 7(c): Strategies to manage procurement data**

- NeST to incorporate a comprehensive tool for data analytics.
- A third-party IT system audit to be conducted to identify system vulnerabilities and risks and ensure the reliability of the system by implementing appropriate risk mitigation measures.
- NeST to include a public forum or feedback tool to collect feedback from the users.

**Summary of substantive gaps and recommendations of Indicator 7**

Substantive gap	Risk classification and red flags	Recommendations
<b>Sub-indicator 7(a): Publication of public procurement information supported by information technology</b>		
Assessment criteria 7(a)(c): For the last five years, there was no <b>centralized online portal</b> to provide publication of procurement plans, information related to specific procurements at a minimum, advertisements or notices of procurement opportunities, procurement methods, contract awards, and contract implementation, including amendments and payments. In 2018, PPRA developed e-GP (TANePS) which was paper based and was not full-fledged to cover the whole procurement cycle. NeST has been introduced to address this challenge; however, important features are not operational yet.	High risk	NeST to capture, publish, and produce reports on procurement from the planning stage to the contract closure stage.
Assessment criteria 7 (a)(d) & 7(a)(e): NeST has the capacity to capture information and store in an OCDS format but not published in a machine-readable OCDS format. The system also does not provide the	High risk	NeST to publish the data on all stages of the procurement processes in a machine-readable OCDS format, allowing easy



Substantive gap	Risk classification and red flags	Recommendations
option for downloading and viewing in a machine-readable format.		download and viewing by the interested users.
<b>Sub-indicator 7(b): Use of e-procurement system</b>		
Assessment criteria 7(b)(a): No data were provided to establish the percentage number and value of the procurement activities processes in e-procurement system.	High risk	NeST to be improved to include and generate data on key performance indicators regarding the functioning of the procurement system.
Since the NeST team is assembled by bringing experts from different institutions, the team's sustainability must be ensured as the highest priority.	High risk	Review the options for the institutionalization of the e-GP Unit with a sustainable policy framework for retaining skilled staff of the unit and ensuring the smooth operation and growth of the system in the future
Assessment criteria 7(b)(c): Training on the use of e-procurement system has not been widely provided to the procurement staff of the PEs. The e-system users have increased in number from 864 PEs to 1,114, majority of whom have not been trained on the use of electronic procurement system and hence there may be challenges in the effective use of the system.	High risk	More financial resources to be deployed for building the capacity of the users of the e-procurement system.
Assessment criteria 7(b)(d): No data were provided to establish the MSME participation in the public procurement market.	High risk	NeST to be improved to capture and generate data on key performance indicators regarding the functioning of the procurement system.
<b>Sub-indicator 7(c): Strategies to manage procurement data</b>		
Assessment criteria 7(c)(c): A third-party system audit has not yet been carried out to identify system vulnerabilities and risks to take appropriate risk mitigation measures.	High risk	A third-party IT system audit to be conducted to identify system vulnerabilities and risks and ensure the reliability of the system by implementing the appropriate risk mitigation measures.
Assessment criteria 7(c)(d): The assessment could not establish the total number and value of the contracts published, public procurement as a share of government expenditure and share of GDP and the total value of contracts awarded through competitive method in the most recent year.	High risk	NeST to incorporate a comprehensive tool for data analytics.
NeST does not include a user feedback function.		NeST should incorporate a public forum or feedback tool in the





Substantive gap	Risk classification and red flags	Recommendations
		system to collect the feedback from the users.

## Indicator 8. The public procurement system has a strong capacity to develop and improve

This indicator focuses on the strategies and ability of the public procurement systems to develop and improve. Three aspects should be considered: (a) whether strategies and programs are in place to develop the capacity of procurement staff and other key actors involved in public procurement, (b) whether procurement is recognized as a profession in the country's public service, and (c) whether systems have been established and are used to evaluate the outcomes of procurement operations and develop strategic plans to continuously improve the public procurement system.

### Synthesis of the Indicator

The systems for training advice and assistance are in place, the routine and periodic adjustment of trainings are carried out to match with the end users' requirements, and the country public service recognizes procurement as a profession by establishing a professional board which deals with the procurement and supplies professionals. However, the help-desk functions to resolve questions from the PEs, suppliers, and public are limited due to an inadequate number of staff.

### Findings

#### *Sub-indicator 8(a): Training, advice, and assistance*

PPRA established a help desk with staff from various disciplines to respond on various issues related to e-procurement raised by PEs, suppliers, and the public through emails, phone calls, and live chats. Also, support includes customers who physically approached the authority seeking guidance and technical assistance on e-procurement issues. Due to the current emerging needs for the use of electronic procurement system in carrying out procurements, some calls are not attended timely, resulting in some customers queuing for technical support and guidance. The help desk has yet not been facilitated fully with an adequate number of staff. PEs are still complaining about timely handling of cases submitted to PPRA regarding the effective functioning of the system.

### Substantive Gaps

- There are no substantive gaps in this indicator.

### Minor Gaps

#### *Sub-indicator 8(a): Training, advice, and assistance*

- Even though the helpdesk is operational, it has not yet been fully equipped with adequate number of staff. PEs are still complaining about timely handling of cases submitted to PPRA regarding the effective functioning of the system.



## Recommendations

### ***Sub-indicator 8(a): Training, advice, and assistance***

- Adequate number of staff should be deployed to the help desk to widen the scope of resolving issues related to the use of electronic procurement by various stakeholders.

### ***Summary of substantive gaps and recommendations of Indicator 8***

- There are no substantive gaps in this indicator.

## 3.3. Pillar III - Public Procurement Operations and Market Practices

Pillar III in the MAPS core methodology focuses on the way the procurement system in a country operates and performs in practice. This pillar looks at the operational efficiency, transparency, and effectiveness of the procurement system at the level of the implementing entity responsible for managing individual procurements (PE). In addition, it looks at the market as a means of judging the quality and effectiveness of the system in implementing procurement procedures.

### Indicator 9. Public procurement practices achieve stated objectives

The objective of this indicator is to collect empirical evidence on how procurement principles, rules, and procedures formulated in the legal and policy framework are being implemented in practice. It focuses on procurement-related results that in turn influence development outcomes, such as value for money, improved service delivery, trust in government, and achievement of horizontal policy objectives.

The assessment required the selection and review of a sample of actual procurement transactions. One hundred samples were selected covering 20 PEs. Cases were sampled from government ministries, departments, and parastatals with a mix of goods, works, consultancy services, and non-consultancy services. It was also a mix of procurement from different financiers like the government and donors. The assessment team was required to collect data through physical files and visits to PEs. Also, for contract implementation, all the information was collected through physical files. Details on the approach and methodology for sampling and an entity-wise summary covering sub-indicators 9(a), 9(b), and 9(c) for each of the criteria are given as an attachment to this report, and a consolidated summary is given below.

### **Synthesis of the Indicator**

Through the analysis of the 100 sample cases from 20 PEs and the survey results from both the private sector and CSOs, several reservations have been noted, including unrealistic price estimates attributed to the use of historic data which do not reflect the current market situation. Hence, some of the signed contracts had more or less contract value than the cost estimates. Only 2 percent of PEs comply with the legal requirement of setting 30 percent of their annual procurement to special groups, signifying a significant number of the total registered PEs and delays in processing the procurements by the PEs. The sample outcomes revealed that the average delay from tendering to contract signing stage is 195 days. Further, the PEs' capacity to prepare bidding documents was observed to be inadequate. The competitive tenders were generally preferred as per the sample results, but some procurements were carried out through Single Source, but justifications were not noted in the procurement files. Regarding contract implementation, some PEs failed to institute penalties for nonperformance as provided in the contract



and delays in settling the contractor's claims through the certificates initiated and approved by the project manager (project consultant) beyond the required time provided in the signed contracts. Also, inadequate record management by the PEs has been among the key concerns including nonavailability of complete records per tender, improper arrangement and location of procurement records per tender, and inadequate storage facilities for archiving procurement records.

## **Findings**

### ***Sub-indicator 9(a): Planning***

During preparation of the procurement plan, the PEs are required to forecast their requirements for goods, services, and works as accurately as practicable with reference to services or activities already programmed in the annual work plan and included in the annual estimates. The price information used in most cases to prepare the cost estimates is historic, obtained from the previous engagements made on similar items, and hence is not realistic. Most of the time, they are underestimated when subjected to implementation. The APERs for FY2020/21 and FY2022/23 indicated that among the major challenges discovered at the early stages of the project preparation is inadequate/unrealistic cost estimates attributed to inadequate market surveys. Hence, the final cost estimates arrived at in most projects are not realistic. The analysis of the 100 sampled cases revealed inconsistencies in the prepared cost estimates, with some being higher than the contract amounts and others less than the contract amounts.

Regarding the requirements and desired outcomes to be defined clearly, approximately one-third of the PEs have weaknesses in adequate preparation of bidding documents. According to the procurement audits conducted in FY2021/22, 74 entities equivalent to 31.8 percent of the audited entities (232) prepared tender documents with anomalies. The anomalies were observed in 260 tenders with an estimated value of TZS 6.27 trillion. Anomalies in the preparation of tender documents led to failure by bidders to submit responsive bids, complicated the evaluation process, and could result in project cost overruns. The major observed anomalies included lack of the use of standard tender documents, tender data sheets not customized properly, incomplete tender documents, failure to indicate application of margin and exclusive preference for eligible tenders, and technical requirements not clearly stated.

On the use of sustainability requirements for enhancing value for money, few PEs adhered to the legal requirement of setting 30 percent of their annual procurement volume to special groups. Out of 86 audited PEs for FY2020/21 assessed on this aspect, 2 PEs equivalent to 2 percent of the audited PEs complied fully, 3 PEs equivalent to 4 percent of the audited PEs set aside below 30 percent of their annual procurement to special groups, and 81 PEs equivalent to 94 percent did not set aside 30 percent of their annual procurement to special groups. The challenge observed during the audit for the PEs' failure to implement the legal requirements on setting aside 30 percent for special groups is the PEs' lack of knowledge on PPA 2011 requirements regarding the matter.

### ***Sub-indicator 9(b): Selection and contracting***

The standard tender documents issued by PPRA contain sections/parts to be completed by the PEs with specific information as guided by the guiding notes provided in each part detailing the specific information to be filled in. As per the standard tender documents, areas to be customized include the BDS, the part of the technical requirements/terms of reference, and the specific section for inserting the evaluation and qualification criteria. Also, the contract agreement form and the general and special conditions of the



contract are included in the tender documents. During the advertisement, the tender documents comprising the bidding sections together with the contract sections are all disclosed to bidders to enable them to have a clear picture of the bidding requirements and the contractual provisions. Most of the PEs managed to comply with the requirement of using the standard tender documents prepared by PPRA while carrying out procurement, but some PEs were constrained by inadequate capacity to customize the standard tender documents. The assessment of the adequacy of the prepared tender documents was conducted through the procurement audits carried out in FY2021/2022 and revealed that 74 entities equivalent to 31.8 percent of the audited entities (232) prepared tender documents with anomalies. The major observed anomalies included inadequate customization of tender/bid data sheets, incomplete tender documents, failure to indicate application of margin and exclusive preference for eligible tenders, and technical requirements not clearly stated.

The PPA (Section 64) requires PEs engaging in the procurement of goods, works, services, or disposal by tender to apply competitive tendering using methods indicated in the regulations depending on the type and value of the procurement or disposal. If the noncompetitive procurement methods are used (as for Single Source procurement), proper justification for using non-open tendering procedures should be documented and kept in the procurement file. The analysis of the sampled 100 cases indicated that 79 contracts were carried out using competitive procedures (international or national) and 21 cases were carried out through Single Source. Out of the 21 cases carried out through Single Source, 3 lacked justification in the procurement files.

The PPA requires the basis for tender evaluation and selection of the successful tenderer to be clearly stated in the tender document including specifying factors, in addition to price which may be considered in evaluating a tender. Although this requirement is clearly provided in the procurement act, some of the PEs have failed to apply the technical criteria and compliance to social and environmental requirements. The APER for FY2022/23 showed that the special audits conducted observed deficiencies in the tendering process which were possibly to affect achieving value for money in some contracts between the PEs and the suppliers, service providers, and contractors. Some contracts were awarded to nonresponsive bidders due to the use of tender documents which were not properly prepared and evaluating tenders using the criteria which were not provided in the tender document.

The contract clauses do not provide incentives for exceeding the defined performance levels. On the contrary, penalties are imposed, including liquidated damages for delays in the delivery of goods, delays in works execution, or delays in rendering service until the percentage of the performance guarantee is exhausted, and later the contract is terminated. Penalties may go further to the step of debarment of the firm due to nonperformance if it is proved that the nonperformance of the contract is on the supplier's/contractor's/service provider's side. Based on PPRA audit results for FY2021/22, four firms were debarred due to failure to implement the procurement contracts. Even though the contract penalties are well described in the signed contracts, they are not adequately adhered to by the PEs. Several incidences have been reported on failure to institute provisions to the nonperforming contractors/consultants/service providers/suppliers. Among critical issues addressed in the special audits conducted on 11 entities for FY2021/22, which were reported in the APER, was failure by the audited entities to impose liquidated damages on delayed deliveries to the tune of TZS 38.99 million.

In the procurement process, there is a set of activities to be accomplished to achieve the intended goal. Delays in accomplishing some responsibilities in one stage have an adverse effect on the timely



accomplishment of responsibilities in the following stage. Thus, time efficiency is a critical factor to consider. During FY2020/21, PPRA, through procurement audits, carried out an assessment of the efficiency of the procurement processes in acquiring goods, services, and works to establish if there were unnecessary delays and their causes to recommend appropriate measures for improving efficiency. The results revealed that there were excessive delays in some tenders that were processed compared with the average standard time provided. For the International Competitive Bidding (ICB) Tenders, the average processing time was 212 days compared with the set-out average time of 140 days. Regarding the Single Source procurement method, the processing time set out by PPRA was 103 days, but the average time spent by the PEs was 133 days. Further, for National Competitive Bidding (NCB), the processing time was 133 days, but an average of 139 days was spent, and some entities spent 200–325 days. For the request for quotations/competitive quotations, the allocated time was 104 days, but the average time for the sampled 32 quotations was 178 days, and 3 quotations had excessive delays with an average of 234, 332, and 449 days, respectively. As per the audit outcomes, the major reasons for the excessive delays were delays in the issuance of funds or partial disbursement of funds, or unavailability of funds, which leads to poor timing of initiating a procurement process in User Departments and getting the AO's approval; delays in preparing technical specifications, terms of reference, and statement of requirements by User Departments before approval is granted; and delays in approving tender documents and tender notices before inviting tenders. Another cause of significant delays was inadequate preparation of bid documents, resulting in frequent requests for clarifications and causing extensions of submission of proposals/bids and delays in signing the contracts.

The analysis of the 100 sampled cases indicates delays from the planning to contract award stage, with the average time to award being 195 days. The consultancy contracts and international tenders took more time (invitation to contract signing) for more than 300 days. Details of the analysis are as follows:

Procurement category	Award time (days)
Consulting services	310.9
Goods	163.4
Non-consulting services	110.9
Works	171.9

In terms of market approach, international ones take longer than national ones.

Market	Procurement category	Award time (days)
International	Consulting services	393.3
International	Goods	200.7
International	Works	308.2
National	Consulting services	283.5
National	Goods	151.7
National	Non-consulting services	110.9
National	Works	149.1

The duration per market approach and procurement category is presented in the below table.

Market - Competition	Procurement category	Award time (days)
International - Competitive	Consulting services	393.3



Market - Competition	Procurement category	Award time (days)
International - Competitive	Goods	200.7
International - Competitive	Works	308.2
National - Competitive	Consulting services	365.4
National - Competitive	Goods	159.1
National - Competitive	Non-consulting services	87.7
National - Competitive	Works	159.5
National - Noncompetitive	Consulting services	218.0
National - Noncompetitive	Goods	123.8
National - Noncompetitive	Non-consulting services	168.8
National - Noncompetitive	Works	55.7

By market approach, ICB, International Competitive Selection (ICS), and Regional International Competitive Bidding (RICB) take more than 250 days. Single Source selection also takes a lot of time, more than 160 days.

Market approach	Award time (days)
Force Account	43.5
International Competitive Bidding	299.4
International Competitive Selection	273
Mini Competitive Quotation-Frame Works Contract	85
National Competitive Bidding	236.9
National Competitive Quotation	65
Request for Quotation	82.4
Restricted International Competitive Bidding	322
Restricted National Competitive Bidding	88.3
Restricted National Consulting Services	29
Single Source	167.5

By main stage of procedure, most of the time is spent on evaluating the offers/proposals, with an average of 154 days. Consulting services take about 274 days to evaluate. International and National Competitive Bidding take an average of 217 and 144 days, respectively, to be evaluated.

Procurement category	Evaluation time (days)
Consulting services	273.9
Goods	122.5
Non-consulting services	87.4
Works	121.3

Market	Procurement category	Evaluation time (days)
International	Consulting services	307.33
International	Goods	117.16
International	Works	227.6
National	Consulting services	262.83
National	Goods	124.21
National	Non-consulting services	87.42



Market	Procurement category	Evaluation time (days)
National	Works	103.6

Consulting services seem the most complex procurement category as both International and National Competitive Bidding take the longest time to be evaluated.

Market - Competition	Procurement category	Evaluation time (days)
International - Competitive	Consulting services	307.33
International - Competitive	Goods	117.17
International - Competitive	Works	227.60
National - Competitive	Consulting services	334.00
National - Competitive	Goods	132.87
National - Competitive	Non-consulting services	72.10
National - Competitive	Works	110.37
National - Noncompetitive	Consulting services	205.90
National - Noncompetitive	Goods	91.75
National - Noncompetitive	Non-consulting services	125.75
National - Noncompetitive	Works	42.67

The bidding stage (from invitation to submission of bid) takes about 40 days on average; bids for works contracts are submitted within an average of 49 days.

Procurement category	Average time to bid (days)
Consulting services	37.0
Goods	40.9
Non-consulting services	22.4
Works	49.3

The overall average number of received bids for the 100 sample contracts was 5.7. Works contracts and goods tend to receive more interest from the market (with an average of 6.6 and 6.9 bids, respectively). Both international and national competitive tendering processes are well received by the market, with an average of about eight bids. Restrictive tenders receive significantly fewer bids, about two on average.

The overall average number of responsive bids is 3.47. The percentage of accepted bids looks high with some exceptions noted below.

Procurement category	No. of responsive bids	% of responsive bids
Consulting services	2.7	84.1
Goods	3.8	73.2
Non-consulting services	2.7	84.5
Works	4.1	70.5

#### ***Sub-indicator 9(c): Contract management***

The contracts prepared by most of the PEs have clearly defined contractual provisions, but they are not well managed during implementation. Repetitive cases of delays in contract completion have been reported through performance audits conducted and reflected in PPRA's APERs. The performance audit





results for FY2020/21, FY2022/23, and FY2023/24 indicated that there were several reasons which trigger the timely implementation of contracts which sometimes demand time extensions beyond the original planned time provided in the signed contracts. Factors mentioned include delays in site handover/possession, inadequate designs which may trigger design reviews before further project execution, and delays in issuance of advance payments upon submission of requests. Also, several contract implementation issues have been pointed out in the audit reports prepared by the CAG Office (Supreme Audit Institutions) for the three consecutive financial years. Among the issues reflected in the report are delays in engaging the project supervisor for the average number of 247 days from the effective date of project execution (FY2022/23) which unnecessarily lengthens the contract duration.

Regarding quality control, supervision of works, and final acceptance of goods, the PPRs require PEs to obtain reports on the receipt of goods delivered against contracts and promptly authorize payment to the supplier. For services and works contracts, a PE is required to monitor the service provider or contractor's performance against the statement of requirements or schedule of works stated in the contract through daily, weekly, or monthly reports from the PE's supervisor responsible for the services or works. However, lack of effective supervision and management of the works by the project managers/supervisors has been reported through the assessments carried out by PPRA through the procurement audits for FY2020/21, FY2021/22, and FY2022/23. Among the observed shortcomings are deduction of retention money contrary to contract requirements, ineffective management of the performance securities and insurance bonds for works contracts (with most performance securities expiring before contract finalization and not being extended), delays in the delivery of goods beyond the time stipulated in the signed contracts or issued LPOs for small-value procurements, no progress and/or inspection and test reports/certificates, non-appointment of supervisors for non-consultancy contracts, and non-appointment of goods inspection and acceptance committees.

The sample analysis of the 100 cases concluded that quality control measures and final acceptance were carried out as per contract requirements in only 64 percent of the analyzed cases. At the same time, there were some cases in which the quality control aspect was not effectively adhered to. This was specifically in contracts for the supply of goods where inspection reports did not address compliance with the technical specifications provided in the contracts and instead confirmed only the quantity of the ordered goods.

Regarding compliance with the examination of invoices and time limits for payments, the PPRs require payments to be made timely to the tenderers as a means of supporting the growth of the local firms. Also, the GCC of the standard tender documents issued by PPRA requires timely settlement of payments; otherwise, the contractor/service provider/supplier shall be entitled to receive financing charges compounded monthly on the unpaid amount during the period of delay. Although procedures for payments are clearly defined, delays have been observed in settling contractor claims through the certificates initiated and approved by the project manager (project consultant) beyond the required time provided in the signed contracts. Consequently, as per the contract provisions, delays in payment beyond the time provided in the contracts have penalties on interest charges. Additional costs have been unnecessarily incurred by the PEs as accrued interest charges due to payment delays.

The CAG audit report for FY2022/23 indicated that seven LGAs did not timely pay the contractors' claims amounting to TZS 2.22 billion, for 55 and 270 days from the date the claims were certified. Further, most of the PEs had irregularities pertaining to fines and interest charges resulting from late payments to



suppliers and contractors amounting to TZS 72.36 billion. Also, 11 MDAs were observed to have claims which were delayed in being settled, from 4 to 1,193 days beyond the required time frames, amounting to TZS 58.11 billion. These claims comprised approved certificates and invoices for completed works and supplied goods and services. As per the 100 sampled cases, the percentage of the contracts where invoices were paid within the contractual period was 66.7 percent. Regarding the timely review, issuance, and publication of contract amendments, the outcomes of the 100 sampled cases revealed that 17 percent of the signed contracts were amended at cost while 26.5 percent of the signed contract amendments were done without cost. The assessment further revealed that 22.4 percent of the signed contracts had a higher contract value at the closure stage, with an average contract increase of TZS 1,806.3 million.

Regarding the adequacy of records management by the PEs, the major weaknesses observed during the compliance assessment through the procurement audits conducted and reflected in PPRA APERs for FY2020/21, FY2021/22, and FY2022/23 were nonavailability of complete records per tender, improper arrangements and location, and inadequate storage facilities for archiving procurement records. The same issues were reported through the internal audit reports submitted by internal auditors to PPRA and reflected in PPRA APERs. With the introduction of NeST, most of the procurement process documents are in the system except for contract implementation, for which the module is under construction. After the contract implementation module becomes operational, most of the documents will be accessible through the system. However, the PE needs to strengthen the system for keeping the physical files with contract implementation documents to enhance effective monitoring by PPRA and CAG through compliance and performance audits.

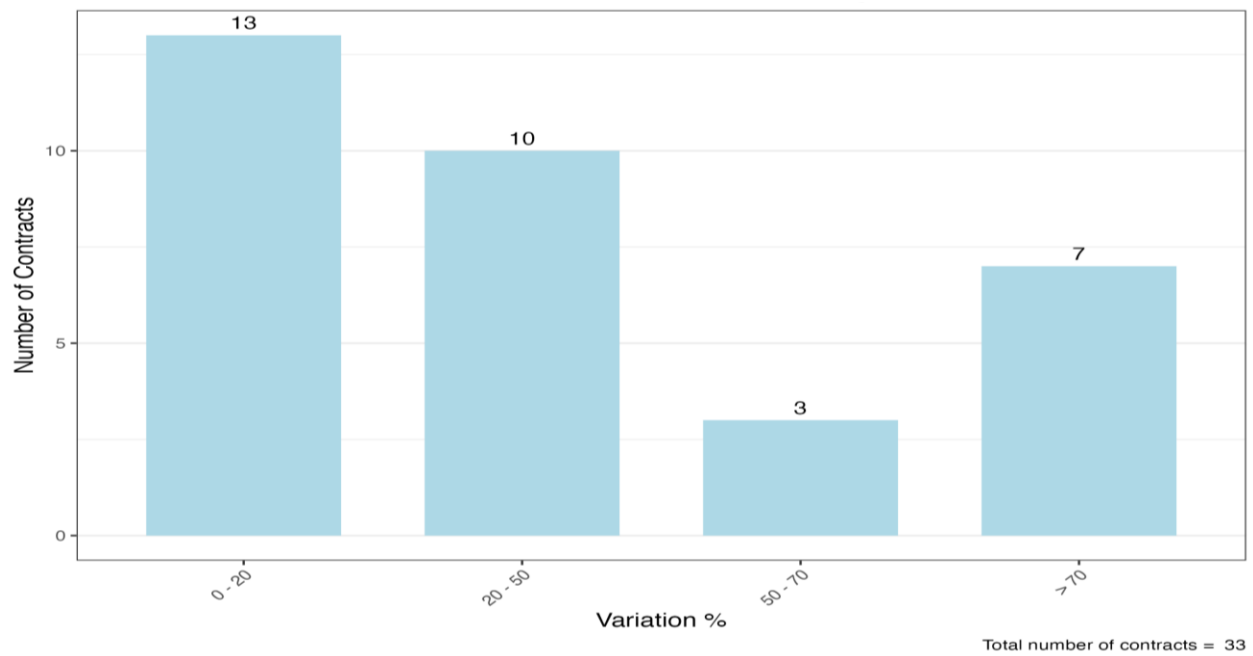
## **Substantive Gaps**

### ***Sub-indicator 9(a): Planning***

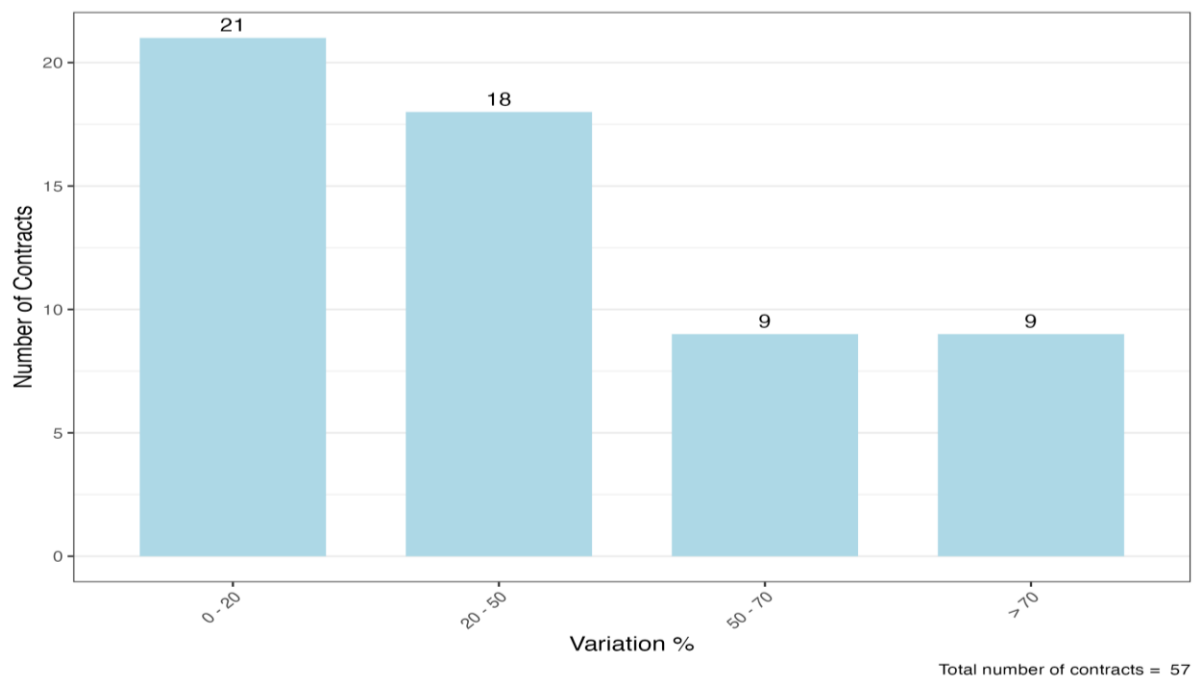
1. The price information used in most cases for preparing cost estimates is historic, obtained from previous engagements on similar items, and hence is not realistic. The outcomes of the data analysis for the 100 sampled cases in 20 entities indicated that the activity cost estimates for 33 contracts were less than the actual contract amount (see Figure 8). Similarly, 57 of the analyzed contracts had an actual contract amount lower than the estimate, in some cases by more than 70 percent of the estimates. Details of the outcomes are as shown in Figure 9. The data analysis shows that most of the cost estimates prepared do not reflect the prevailing market prices, which result in either activities being significantly underestimated or overestimated.



**Figure 8. Number of contracts for which the contract amount was higher than the estimated cost**



**Figure 9. Number of contracts for which the contract amount was lower than the estimated cost**



The risk is high considering that the project cost estimates have a significant impact on budget allocation. If estimates are not realistic, the project may suffer from budget deficit, leading to delays in project completion.



2. With respect to sustainability requirements, the analysis shows that only 2 percent of PEs comply with the legal requirement of setting 30 percent of their annual procurement to special groups, signifying a significant number of the total registered PEs. Regarding sustainability on the environmental aspect, the requirements are well mentioned in the PPRs and the new Procurement Act of 2023 which has not yet been operationalized, but the enforcement mechanism needs to be enhanced.

The risk is high considering that special groups are not benefiting from the advantages provided to them, hence diminishing their financial well-being due to limited procurement opportunities.

***Sub-indicator 9(b): Selection and contracting***

3. Delays persist in PEs while processing the procurements. The assessment conducted by PPRA through the procurement audits in FY2020/21 and FY2021/22 noted that there was no single procurement method used by the PEs without delays, indicating a need to establish strategies for improving the procurement processing time. As per the audit outcomes, the major reasons for excessive delays were delays in the issuance of funds or partial disbursement of funds or unavailability of funds, leading to poor timing of initiating a procurement process in User Departments and getting the AO's approval; delays in preparing technical specifications, terms of reference, and statement of requirements by User Departments before approval is granted; and delays in approving tender documents and tender notices before inviting tenders. Another cause of significant delays was inadequate preparation of bid documents, resulting in frequent requests for clarifications and causing extensions of submission of proposals/bids and delays in signing the contracts.
4. The analysis of the 100 sampled cases indicates delays from the planning to contract award stage, with the average time to award being 195 days. The consultancy contracts and international tenders took more time (from invitation to contract signing), more than 300 days. Further, the Single Source selection methods took more than 160 days. Generally, most of the time was spent on the evaluation of tenders/proposals, with an average time of 154 days, and consulting services took about 274 days.

The risk assessment is high considering that lengthening the procurement process affects both cost and time overruns, negatively affecting the achievement of the intended objectives.

***Sub-indicator 9(c): Contract management***

5. Inadequate management of the signed contracts by the procuring entities. As per the audit report, there are several reasons which trigger delays of implementation of contracts which sometimes demand time extensions beyond the time provided in the signed contracts. The sample analysis indicates an average delay in the contract implementation of more than 130 percent compared with the initial contract duration. This usually indicates a deficient planning of the procurement process.
6. The outcomes of the assessment revealed that, on quality control aspect, the goods inspection reports did not comprehend the level of compliance to the technical specifications provided in the contracts and instead were confirming only the quantity of the ordered goods in 36 percent of the analyzed contracts.



7. Through the sampled cases, delays observed in settling the contractor's claims through the certificates which were initiated and approved by the project manager (project consultant) beyond the required time provided in the signed contracts. According to the analysis carried out in the sampled 100 cases, only 66.7 of the sampled contracts invoices were paid within the contractual period. In some of the Consultancy assignments, payments were not aligned with the contract duration and deliverables.
8. Inadequate record management by the PEs including nonavailability of complete records per tender, improper arrangement and location of procurement records per tender, and inadequate storage facilities for archiving procurement records. The assessment carried out on the 100 sampled cases revealed that only 47 percent of the total sampled contracts had complete and accurate records. This implies that about 53 percent of the contracts had procurement records that were not properly kept.

### **Minor Gaps**

- The outcomes of the audit conducted by PPRA in FY2021/22 indicated that approximately 32 percent of the audited PEs have inadequate capacity in the preparation of bidding documents, including the definition of requirements and outcomes. This affects competition and can also result in project cost overruns.
- Regarding the selection of appropriate procurement methods, the analysis of the 100 sampled cases showed that competitive tenders are generally preferred. However, Single Source selection accounts for 23 percent of the total estimated value of the analyzed sample. At the same time, three cases which contribute to about 14 percent of those implemented through Single Source lack substantial or any justifications for their use, an incidence which may impair effective competition intending to achieve value for money.
- Regarding the PEs applying appropriate techniques to determine the best value for money based on the criteria stated in the tender document, few PEs are constrained by the capacity to prepare tender documents and carry out tender evaluations in accordance with the criteria specified in the tender document which may constrain achieving value for money in some of the contracts entered.
- Contract clauses do not provide incentives for exceeding the defined performance levels and instead penalties are imposed. Even though the contract penalties are well described in the signed contracts (charges for liquidated damages on delays in delivery of goods/providing services/executing works), they are not adequately adhered to by the PEs.

### **Recommendations**

#### ***Sub-indicator 9(a): Planning***

- PPRA to be adequately supported in terms of resources to continually conduct market research which will enable to develop, maintain, and update a price capping database and develop a cost estimation module in NeST.
- PPRA to continue conducting capacity building for PEs and other stakeholders on the requirement to set aside 30 percent of their annual procurement volume for special groups.



- PPRA to follow up through procurement audits conducted each year to see whether PEs have set aside 30 percent of their annual volume of procurement to special groups.
- PPRA to be adequately supported in terms of resources to set mechanisms, build capacity, and raise awareness on sustainable procurement.
- PPRA to strategize on building the capacity of the key players (PMUs and User Department) to prepare adequate tender documents.
- PEs to adequately prepare their designs.

***Sub-indicator 9(b): Selection and contracting***

- Increase the efficiency in the average processing time for the procurement cycle (baseline 195 days in 2024; target: 150 days in 2027 and 120 days in 2028).
- Develop a suppliers' module that will provide automated post-qualification data for bid evaluation and help in market analysis.
- Develop an automated bid evaluation module that will enable the automatic verification of elements such as post-qualification, meeting mandatory qualification requirements that are historical in nature, financial qualifications, and so on. The evaluation committee will review the subjective aspects of the evaluation, specifically technical marking/rated criteria.
- PPRA to strategize on building the capacity of the key players (PMUs and User Department) to prepare adequate tender documents and carry out tender evaluations.
- PEs to prioritize competitive procurement methods to widen competition and achieve the best value for money.

***Sub-indicator 9(c): Contract management***

- NeST to be fully operationalized to enable data collection and archiving of both procurement and contract implementation documents.
- PEs to device mechanisms to ensure that all procurement documents are kept, enabling effective monitoring by PPRA and CAG.
- PEs to adhere to the contractual provisions set out in the signed contracts while managing the contract. In case of nonperformance, penalties should be instituted and provided in the contract.
- PEs to adhere to contract management processes, including timely handover of the site and issuing of advance payments to vendors in line with the contractual provisions during contract implementation.
- PPRA to build the capacity of key stakeholders on contract management issues.



## Summary of substantive gaps and recommendations of Indicator 9

Substantive gap	Risk classification and red flags	Recommendations
<b>Sub-indicator 9(a): Planning</b>		
<b>Assessment criteria 9(a)(a):</b> The price information used for preparation of cost estimates is historic, obtained from the previous engagements made on similar items, and hence is not realistic. Analysis of the 100 sampled cases revealed that the activity cost estimates for 33 contracts were higher than the actual contract amount.	High risk	PPRA to be adequately supported in terms of resources to continually conduct market research which will enable to develop, maintain, and update a price capping database and develop a cost estimation module in NeST.
<b>Assessment criteria 9(a)(c):</b> Only 2% of PEs comply with the legal requirement of setting 30% of their annual procurement to special groups based on the analysis of the 100 sampled cases.  The enforcement mechanism for the environmental aspect is not in place.	High risk	<ul style="list-style-type: none"> <li>• PPRA to continue conducting capacity building for PEs and other stakeholders on the requirement to set aside 30 percent of their annual procurement volume for special groups.</li> <li>• PPRA to follow up through electronic procurement system and procurement audits conducted each year to see whether PEs have set aside 30 percent of their annual volume of procurement to special groups.</li> <li>• PPRA to be adequately supported in terms of resources to set mechanisms, build capacity, and raise awareness on sustainable procurement.</li> </ul>
<b>Sub-indicator 9(b): Selection and contracting</b>		
<b>Assessment criteria 9(b)(j):</b> Delays in processing the procurements. The analysis of the 100 sampled contracts indicates delays in the planning and award of tender. The average time from invitation of bids to contract signature is 195 days. Consultancy contracts and international tenders took more time (from invitation to bid to contract signature) which was beyond 300 days. By market approach, ICB, ICS, and RICB require more than 250 days. Single Source selection also takes more than 160 days. By main stage of procedure, most of the time was spent on evaluating the bids, with an average of 154 days. Consulting services took about 274 days to evaluate. International and National Competitive Bidding took an average of 217 and 144 days, respectively, to be evaluated.	High risk	<ul style="list-style-type: none"> <li>• Increase the efficiency in average processing time for the procurement cycle (baseline: 195 days in 2024; target: 150 days in 2027 and 120 days in 2028).</li> <li>• Develop a suppliers' module that will provide automated post-qualification data for bid evaluation and help in market analysis.</li> <li>• Develop an automated bid evaluation module.</li> </ul>





Substantive gap	Risk classification and red flags	Recommendations
<p><b>Assessment criteria 9(c)(a):</b></p> <p>Inadequate management of the signed contracts by the procuring entities. As per the audit report, there are several reasons which trigger delays of implementation of contracts which sometimes demand time extensions beyond the time provided in the signed contracts. The sample analysis indicates an average delay in the contract implementation of more than 130 percent compared with the initial contract duration. This usually indicates a deficient planning of the procurement process.</p>	High risk	<ul style="list-style-type: none"> <li>• Designs should adequately be prepared by the implementing agencies,</li> <li>• Site handing over should be done timely by the implementing agencies,</li> <li>• Advance payments should be settled timely by the implementing agencies.</li> </ul>
<p><b>Assessment criteria 9(c)(b):</b></p> <p>The outcomes of the assessment revealed that, on quality control aspect, the goods inspection reports did not comprehend the level of compliance to the technical specifications provided in the contracts and instead were confirming only the quantity of the ordered goods in 36 percent of the analyzed contracts.</p>	High risk	<ul style="list-style-type: none"> <li>• Effective administering of the contractual provisions during contract implementation.</li> <li>• Building capacity to the key stakeholders on contract management issues</li> </ul>
<p><b>Assessment criteria 9(c)(c):</b></p> <p>Through the sampled cases, delays observed in settling the contractor's claims through the certificates which were initiated and approved by the project manager (project consultant) beyond the required time provided in the signed contracts. According to the analysis carried out in the sampled 100 cases, only 66.7 of the sampled contracts invoices were paid within the contractual period. In some of the Consultancy assignments, payments were not aligned with the contract duration and deliverables.</p>		
<p><b>Assessment criteria 9(c)(f):</b></p> <p>PPA and its regulations do not allow direct involvement of relevant external stakeholders in public procurement.</p>	High risk	<ul style="list-style-type: none"> <li>• PPRA to be adequately equipped in terms of resources to build capacity and awareness of relevant external stakeholders for their direct involvement on the procurement approaches foreseen by the authority.</li> </ul>



Substantive gap	Risk classification and red flags	Recommendations
<b>Assessment criteria 9(c) (g):</b> Inadequate record management by the PEs including nonavailability of complete records per tender, improper arrangement and location of procurement records per tender, and inadequate storage facilities for archiving procurement records.	High risk	<ul style="list-style-type: none"> <li>• PEs to strategize on the availability of all procurement records from the stage of initiation of requirements to the stage of contract closure.</li> <li>• NeST to be fully operationalized to enable data collection and archiving both procurement and contract implementation documents.</li> </ul>

## Indicator 10. The public procurement market is fully functional

The objective of this indicator is primarily to assess the market response to public procurement solicitations. This response may be influenced by many factors, such as the general economic climate; policies to support the private sector and a good business environment; strong financial institutions; the attractiveness of the public system as a good, reliable client; the kind of goods or services being demanded; and so on.

### Synthesis of the Indicator

Several successes have been recorded including the encouragement of open dialogues with the private sector by the government, the existence of programs to help build capacity among private companies including small businesses, and training to help new entrants into the public procurement marketplace. Further, the private sector is competitive, well-organized, willing, and able to participate in the competition for public procurement contracts and the key sectors associated with the public procurement market are identified by the government. Despite these successes, more initiatives are required by the government to widen the scope of the private sector in participating in the modification of the procurement legislation.

### Findings

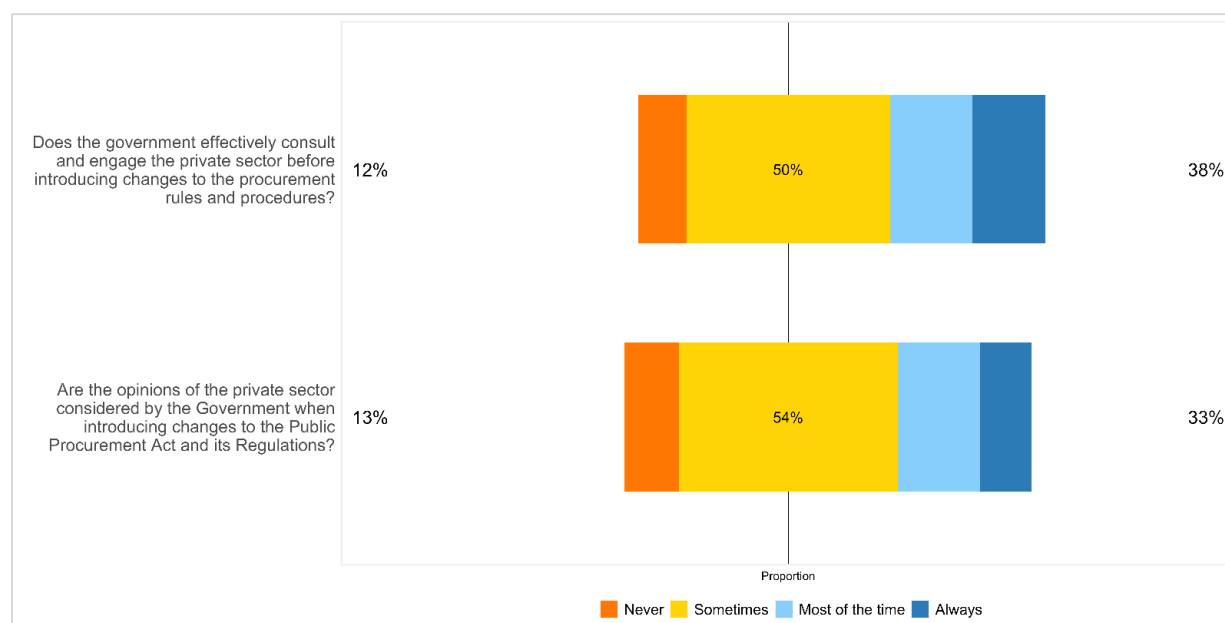
#### ***Sub-indicator 10(a): Dialogue and partnerships between the public and private sectors***

Dialogue with public and private sector stakeholders usually happens when the government is formulating or making changes to the PPA and regulations. The law reform process in Tanzania requires public consultation. During the amendment process for the PPA 2011 in 2016, the Parliament Budget Committee invited public and private sector stakeholders to provide their comments. For instance, according to PPRA, key stakeholders such as CAG, PPAA, PSPTB, and others, including CSOs and private sector organizations, were invited to provide their comments on the matter during formulation of the new PPA Cap 410 of 2011 R.E. 2022. In addition, any bill under the Tanzanian legislative process must pass through the first and second readings in Parliament to receive comments from stakeholders. The Standing Rules of Parliament, Government Announcement No. 626 of 2020, provides that the committee to which the bill was sent will issue notices or a letter of invitation to invite anyone to come and express their opinion before the committee with the aim of assisting it in the analysis of the bill. Despite the involvement of the private sector when formulating changes to the public procurement systems, it is not to a satisfactory level. The survey results show that 12 percent of the respondents from the private sector opined that the



government never consults or engages them when introducing changes to the procurement rules and procedures. Details of the survey results are shown in Figure 10.

**Figure 10. Details of survey results of the private sector**



***Sub-indicator 10(b): Private sector's organization and access to the public procurement market***

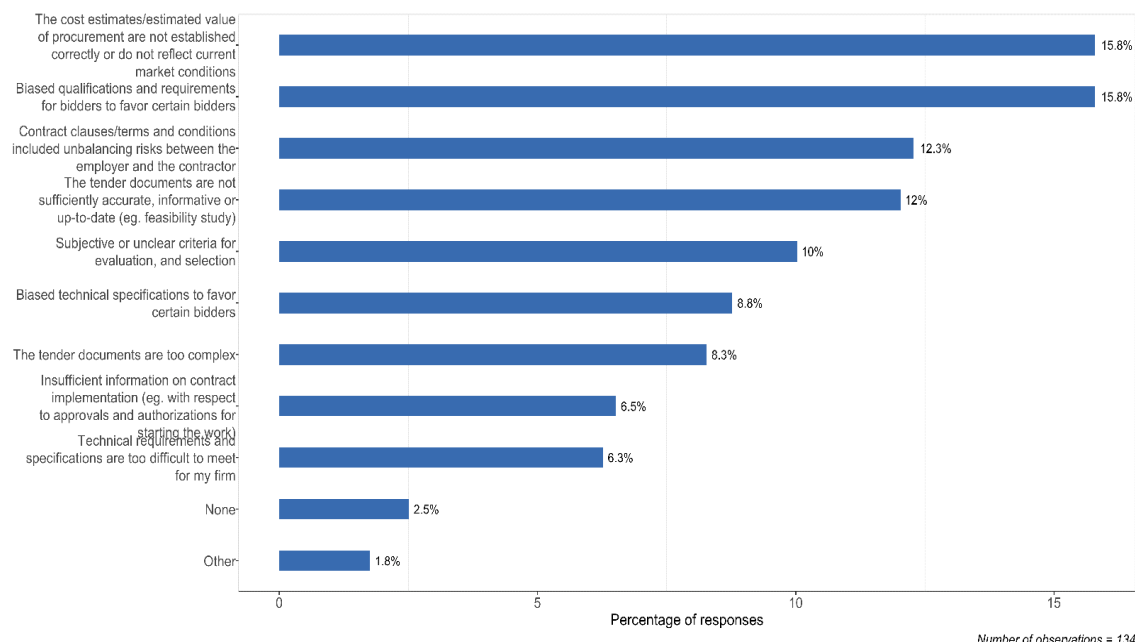
One of the functions to be exercised by PPRA as per Section 9(1) of PPA Cap 410 is to organize and maintain a system for the publication of data on public procurement opportunities, awards, and any other information of public interest. Previously, PPRA had systems which were used to provide procurement information, including, but not limited to, the procurement journal, the PMIS, and the authority's website. On introducing the electronic procurement system in Tanzania, PPRA migrated from the PMIS to TANEPS, which was more advanced in archiving most of the procurement data/information from the stage of preparation of the bidding document to the contract management. TANEPS was officially launched in July 2018. However, this system was observed to have several challenges which required further transformation, leading to the development of the new system, NeST. NeST is currently used to carry out all procurement activities and archive all procurement information from the stage of initiating the requirement by the User Department to the stage of managing the contract. Along with NeST, PPRA also uses other platforms in providing procurement information including the website and the procurement journal. The public have open access to information relating to procurement (advertised tenders, awarded tenders, bidders awarded contracts), procurement guidelines, procedural forms, details on registration of special groups, previous reports on the PEs' performance, the standard procurement documents, and training opportunities.

Based on the survey results, most of the respondents from the private sector commented that there are no systemic constraints inhibiting the private sector's access to the public procurement market (70.9 percent). Nevertheless, several constraints were pointed out including cost estimates that do not reflect the market conditions (15.8 percent) and the use of biased qualifications and requirements (15.8 percent). Other constraints include too many efforts for preparation of bidding documents on both the administrative requirements and the technical content (20.5 percent and 13.6 percent, respectively), and

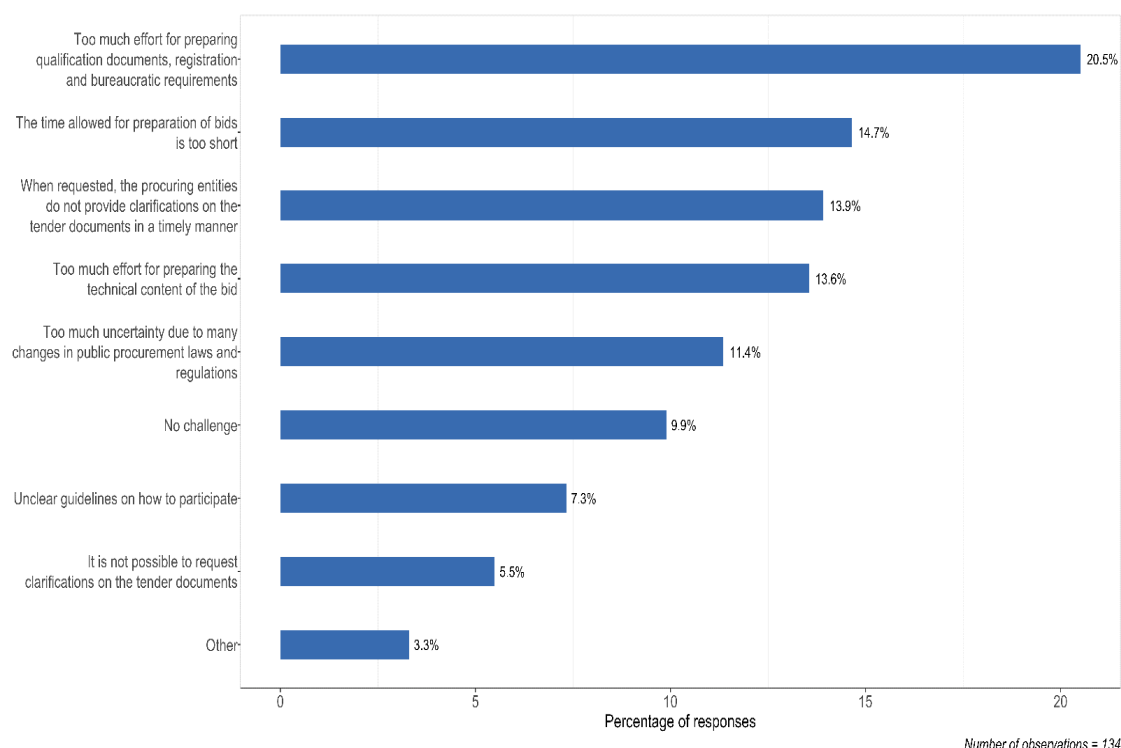


the time allowed to prepare the bid is too short (14.7 percent). Also, some constraints were pointed out during contract implementation including delays in payments (21.5 percent). Details are shown in Figures 11–13.

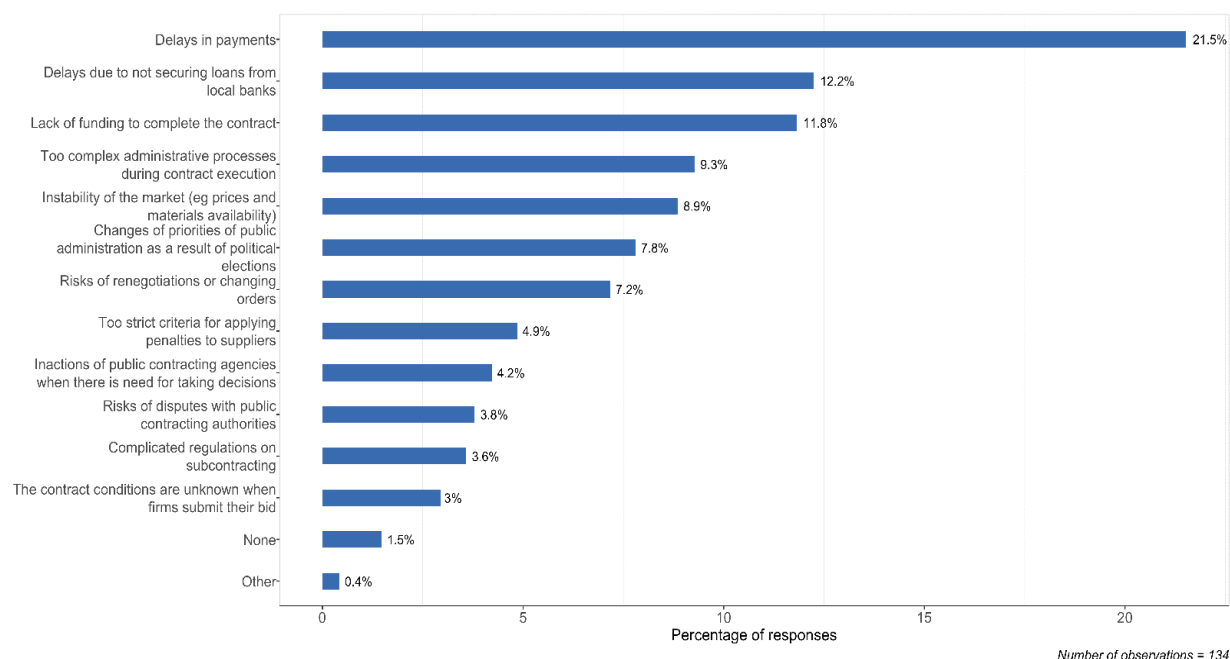
**Figure 11. Private sector's organization responses**



**Figure 12: Private sector's organization responses**



**Figure 13: Private sector's organization responses**



### ***Sub-indicator 10(c): Key sectors and sector strategies***

The PPPD has the responsibility of conducting research and other studies on public procurement and advising the government on specific measures to be taken in observance of any challenges which hinder the effective procurement process for the private sector. However, this assessment did not obtain any information or feedback on any assessment by the government on risks associated with certain sectors and opportunities to influence the sector market.

- No substantive gaps in this indicator.

### **Minor Gaps**

#### ***Sub-indicator 10(a): Dialogue and partnerships between the public and private sectors***

- The engagement of the private sector during the modification of the procurement legislation is limited. About 12 percent of the private sector representatives had the opinion that the government never consults or engages them when introducing changes to the procurement rules and procedures. Further, 13 percent of private sector representatives believe that their opinions are never taken into consideration.

#### ***Sub-indicator 10(b): Private sector's organization and access to the public procurement market***

- Although most of the respondents to the survey results believe that there are no systemic constraints inhibiting the private sector's access to the public procurement market (70.9 percent), several constraints were pointed out including cost estimates that do not reflect the market conditions (15.8 percent) and the use of biased qualifications and requirements (15.8 percent). Other constraints include too many efforts for preparation of bidding documents on both the



administrative requirements and the technical content (20.5 percent and 13.6 percent, respectively) and the time allowed to prepare the bid is too short (14.7 percent). Also, some constraints were pointed out during contract implementation including delays in payments (21.5 percent).

***Sub-indicator 10(c): Key sectors and sector strategies***

- The study is constrained by the lack of information regarding the assessment by the government on risks associated with certain sectors and opportunities to influence the sector market.

**Recommendations**

- The government should widely encourage open dialogue with the private sector in the modification of procurement legislation.
- The government should widely provide awareness and capacity-building trainings to the private sector to strengthen their access to the public procurement market.
- The government should carry out an assessment of risks associated with certain sectors to identify opportunities to influence sector markets.

### 3.4. Pillar IV - Accountability, Integrity, and Transparency of the Public Procurement System

Pillar IV has four indicators that are considered necessary for a system to operate with integrity, with appropriate controls to support the implementation of the system in accordance with the legal and regulatory framework and appropriate measures to address the potential for corruption in the system. Pillar IV also covers important aspects of the procurement system, which include stakeholders, such as civil society, as part of the control system. This pillar focuses on the procurement system and governance environment to ensure they are defined and structured to contribute to integrity and transparency.

#### Indicator 11. Transparency and civil society engagement strengthen integrity in public procurement

Civil society, acting as a safeguard against the inefficient and ineffective use of public resources, can help make public procurement more competitive and fairer, improving contract performance and securing results. Governments are increasingly empowering the public to understand and monitor public contracting. This indicator assesses two mechanisms through which civil society can participate in the public procurement process: (a) disclosure of information and (b) direct engagement of civil society through participation, monitoring, and oversight.

**Synthesis of the Indicator**

The public procurement legal framework substantially provides an enabling environment for public consultation and monitoring. There is evidence to indicate that a consultative approach is followed when formulating changes in the PPA and regulations. The evidence is not in the public procurement legal framework itself but rather in the general legislative process of Tanzania. The law reform process in



Tanzania requires public consultation such that any bill must pass through the first and second readings in the Parliament to receive comments from stakeholders. From the survey, only 24 percent of the respondents indicated that the government does not effectively consult and engage the CSOs. There is sufficient evidence to conclude that the government considers the input, comments, and feedback received from civil society during its legislative process, although not in all cases. Only 16 percent of the CSOs indicated that opinions of the civil societies are not considered while 65 percent of the respondents said “Sometimes” and 19 percent “Most of the time.”

The PPA Cap 410 R.E. 2022 also vests PPRA with the function of building capacity of stakeholders engaged in public procurement issues (Section 9(1)(n)). However, the assessment found no evidence to attest that there is a regular and comprehensive capacity-building program and business outreach for the private sector and CSOs to understand, monitor, and improve their participation in public procurement.

## **Findings**

### ***Sub-indicator 11(a): Enabling environment for public consultation and monitoring***

A consultative approach is followed when formulating changes in the PPA and regulations. The law reform process in Tanzania requires public consultation. During the amendment process for the PPA 2011 in 2016, the Parliament Budget Committee invited stakeholders to provide their comments. According to PPRA, key stakeholders such as CAG, PPAA, PSPTB, and others, including CSOs and private sector organizations, were invited to provide their comments on the matter during formulation of the new PPA No. 10 of 2023. In addition, any bill under the Tanzanian legislative process must pass through the first and second readings in Parliament to receive comments from stakeholders. The Standing Rules of Parliament, Government Announcement No. 626 of 2020, provides that the committee to which the bill was sent will issue notices or a letter of invitation to invite anyone to come and express their opinion before the committee with the aim of assisting it in the analysis of the bill. For the past five years, there has been no amendment of the public procurement in Tanzania. The new PPA No.10 of 2023 was enacted by the Parliament through normal legislative procedures.

The PPA Cap 410 R.E. 2022 vests PPRA with the function of building capacity for stakeholders engaged in public procurement issues (Section 9(1)(n)). PPRA has a department dedicated to capacity building and advisory services which, among others, provides capacity building to public procurement stakeholders. As part of this function, the department offers services to PEs and private sector stakeholders to enhance their understanding of the public procurement legal framework to improve compliance. However, the assessment has revealed there is no evidence/data to attest that there is a regular and comprehensive capacity-building program and business outreach for the private sector and CSOs to understand, monitor, and improve their participation in public procurement. The focus has been on building capacity of the public institutions.

Regarding civil society inputs, there is sufficient evidence to conclude that the government considers inputs, comments, and feedback received from civil society during its legislative process, although not in all cases. Only 16 percent of the CSOs indicated that opinions of civil societies are not considered.

### ***Sub-indicator 11(b): Adequate and timely access to information by the public***

The public procurement information is adequately disclosed and timely available and accessible to the public. In addition to disclosure of the publication of laws, regulations, and other operational instruments





on the PPRA website, all procurement and contract award information is available and accessible in real time on NeST. Also, Tanzania Procurement Journal, available on the PPRA website, provides summaries of current tender opportunities and awarded contracts to stakeholders pursuant to the First Schedule of PPR 2013.

### ***Sub-indicator 11(c): Direct engagement of civil society***

The procurement law does not have provisions expressly allowing participation of the CSOs in all stages of the procurement cycle. The law is silent on the participation of citizens in evaluations and contract awards as well as contract management and completion except for the community participation projects. There is no formal consultation process in the procurement framework for direct engagement of the CSOs in the planning phase. The law only allows some limited observation opportunity for citizens throughout the procurement cycle. This is through the information published by PPRA and PEs. At the planning stage, PEs are required to prepare a GPN and submit it to PPRA for publication. At the tender opening stage, all tenders submitted are opened in public, in the presence of the tenderers or their representatives and any other interested parties with a legitimate interest. This means that citizens ‘with legitimate’ interests can participate in tender opening ceremonies and gain an understanding of the market outcomes of the procurement process. Currently, most of the information regarding the procurement process is published in NeST. There are no adequate mechanisms to facilitate and encourage citizen participation throughout the procurement process, that is, evaluation of bids/proposal and contract management. Further, the current legal framework lacks explicit provisions for direct participation of citizens in procurement processes through consultation, observation, and monitoring.

### **Substantive Gaps**

There are two substantive gaps under Indicator 11, which assesses the transparency and civil society’s engagement to strengthen integrity in public procurement:

1. There are inadequate business outreach and capacity-building initiatives targeting the private sector, CSOs, and the public.
2. There are no adequate mechanisms to facilitate and encourage citizen participation throughout the procurement process i.e., evaluation of bids/proposal and contract management.
3. The current legal framework lacks explicit provisions for direct participation of citizens in procurement processes through consultation, observation, and monitoring.

The level of risk associated with these gaps is considered high because the uncertainties attributed to these gaps can limit the level of participation of bidders in the procurement process, hence reducing competition and affecting the ability to achieve value for money. A red flag is assigned to the third gap because its impact and mitigation go beyond the procurement system.

### **Recommendations**

- Expand capacity-building programs to include CSOs and the public, ensuring broader understanding and engagement in public procurement processes. PPRA should arrange regular business outreaches to the key stakeholders in different regions—at least two workshops per year.



- Utilize digital technology, such as development of e-Learning platforms to enhance outreach efforts and scale up capacity-building initiatives to reach a wider audience of stakeholders. e-Learning platforms should be linked with NeST and accessible to the public.
- To make the procurement process more credible, trustworthy, transparent, and inclusive, the legal framework should incorporate provisions explicitly enabling and encouraging direct participation of citizens in procurement processes through consultation, observation, and monitoring from the planning phase to contract monitoring.
- The procurement legal framework should strengthen mechanisms for meaningful citizen participation in the planning phase, bid opening, evaluation, and contract management stages, ensuring their active involvement in observation and monitoring.

### Summary of substantive gaps and recommendations of Indicator 11

Substantive gap	Risk	Recommendations
Assessment criterion 11(a)(b): There are inadequate business outreach and capacity-building initiatives targeting the private sector, CSOs, and the public.	Low risk	Expand capacity-building programs to include CSOs and the public, ensuring broader understanding and engagement in public procurement processes. Utilize digital technology, such as development of e-Learning platforms to enhance outreach efforts and scale up capacity-building initiatives to reach a wider audience of stakeholders.
Assessment criterion 11(c)(a): There are no adequate mechanisms to facilitate and encourage citizen participation throughout the procurement process i.e., evaluation of bids/proposal and contract management.	High Risk	The procurement legal framework should strengthen mechanism for meaningful citizen participation in the planning phase, bid opening, evaluation, and contract management stages, ensuring their active involvement in observation and monitoring.
Assessment criterion 11(c)(b): The current legal framework lacks explicit provisions for direct participation of citizens in procurement processes through consultation, observation, and monitoring.	High risk with red flag	To make the procurement process more credible, trustworthy, transparent, and inclusive, the legal framework should incorporate provisions explicitly enabling and encouraging direct participation of citizens in procurement processes through consultation, observation, and monitoring.

### Indicator 12. The country has effective control and audit systems

The objective of this indicator is to determine the quality, reliability, and timeliness of the internal and external controls. Equally, the effectiveness of controls needs to be reviewed. For this indicator, 'effectiveness' means the expediency and thoroughness of the implementation of auditors' recommendations. The assessors should rely, in addition to their own findings, on the most recent Public Expenditure and Financial Accountability (PEFA) assessments and other analyses that may be available.

### Synthesis of the Indicator

The assessment acknowledges the comprehensive legal framework governing internal and external control systems, highlighting specific procurement functions and the independence of procurement organs. The PPA and the Prevention of Corruption Act (PCA) provide a solid foundation for preventing



corruption and ensuring compliance in procurement processes supplemented by other measures such as the Code of Ethics and Conduct for Public Officers and Tenderers Engaging in Public Procurement. The indicator also assesses the coordination of controls and audits, emphasizing written procedures and the empowerment of the CAG to adopt international auditing standards. It establishes that there are written procedures that state requirements for internal controls. The Public Audit Act of 2020 (Revised Edition) empowers the CAG to determine the scope and extent of the examination or inspection of the accounts or any other audit of each auditee.

There is evidence that internal or external audits are carried out at least annually and that other established written standards are complied with. However, data from the CAG did not indicate the number of specialized procurement audits. Over five years (from 2017/18 to 2021/22), performance audits accounted for only 2 percent of the annual audits, as indicated below. Regarding enforcement and follow-up on audit findings and recommendations, the assessment reveals that despite established time frames for responses and implementation, significant noncompliance has been reported, indicating a need for improved follow-up mechanisms. Also, there are no data to indicate the number of training courses for internal and external auditors in procurement audit and the share of auditors trained in public procurement audit.

## Findings

### ***Sub-indicator 12(a): Legal framework, organization, and procedures of the control system***

There are laws and regulations in place to regulate the internal and external control system on procurement. While the public procurement laws and regulations establish a comprehensive control framework, including internal audits, external audits, and oversight by legal bodies, other laws also provide additional layers. Sections 31–41 of the PPA Cap 410 R.E. 2022 provide a setup of procurement functions in the PEs by established procurement organs such as AO, TB, User Department, EC, and PMU. These organs undertake procurement functions independently in relation to their respective functions and powers. Further, Section 48(2) of the PPA Cap 410 R.E. 2022 requires the Internal Audit Unit in each PE to include in its quarterly audit report a statement on whether the PPA and PPR have been complied with. Also, the PCA Cap 329 R.E 2022 provides the overall legal framework preventing and combating corruption in Tanzania including in procurement vested in the Preventing and Combating of Corruption Bureau (PCCB). The enacted act has provisions for corrupt transactions in contracts (Section 16) and in procurement (Section 17) which state the penalties for persons convicted of such offenses. Another instrument that forms part of the legal framework on internal controls is the Code of Ethics and Conduct for Public Officers and Tenderers Engaging in Public Procurement.

There is a clear mechanism for internal control and audit to ensure oversight in procurement. The procurement function in the PEs is organized in such a way that provides internal control and balances. PPA and its regulations have established organs responsible for managing procurement activities, and each organ has been vested with specific responsibilities and is required to act independently. Further, in case of disagreements, the law has provided mechanisms to handle them. PPRA institutes procurement audits, contract audits, and performance audits and communicates to the management to indicate implementation an action plan for the issued recommendations pursuant to Regulation 92 of GN No.446 of 2013.



The legal framework recognizes the NAO as the supreme audit institution by virtue of Article 143 of the Constitution of the United Republic of Tanzania and Sections 10, 11, and 12 of the Public Audit Act Cap 418 R.E. 2021. In addition to auditing government revenues and expenditures as appropriated by the Parliament to bring about greater accountability and transparency in the management of public resources, Section 28 of the Public Audit Act No. 11 of 2008 mandates that the CAG carry out performance or value-for-money audits for establishing the economy, efficiency, and effectiveness of any expenditure or use of public resources by MDAs, LGAs, public authorities, and other bodies.

There is a clear mechanism to ensure follow-up on the respective findings. The CAG and PPRA are required to follow up on implementation of the findings and verify that the corrective actions have been taken by the auditee in the next audit conducted for the respective entities. The follow-up covers both compliance and performance audits. However, most of the PEs did not adhere to implementation of previous recommendations. The Internal Audit Unit in every PE conduct procurement audits each quarter to ensure compliance with the PPA and PPR. The reports of internal audits are discussed in the audit committee of the respective entity as an oversight body within the PE. The implementation status of the internal audit reports and recommendations can be assessed by the authority through GARI-ITS.

***Sub-indicator 12(b): Co-ordination of controls and audits of public procurement***

There are written procedures that state requirements for internal controls. The Public Audit Act of 2020 (Revised Edition) empowers the CAG to determine the scope and extent of the examination or inspection of the accounts or any other audit of each auditee (Section 17). Section 18 provides that in discharging functions and responsibilities, the CAG shall determine which auditing standards and code of ethics and conduct are specific to the audits performed by the CAG's office. Further, it empowers the CAG to be guided by international auditing standards or other auditing standards as deemed fit. On the other hand, the Public Audit Regulation of 2009 clearly provides procedures to be adopted while conducting audits, that is, overall audit strategy, entrance and exit meetings, performance audit procedures, decisions to conduct special audits, scope of special audit, forensic audits, and reporting.

In addition, PPRA has also developed manuals and standard operating procedures (audit tools) designed to be used by the internal and external auditors in carrying out procurement audits of PEs. The manuals (procurement compliance and performance audits) and audit tools serve as a reference point and provide guidance to the auditors when conducting procurement audits.

There is evidence that internal or external audits are carried out at least annually and that other established written standards are complied with. For external audits, Regulation 68–69(1) of the Public Audit Regulations 2009 requires that the CAG shall, at least once a year, carry out regularity audits of all ministries, independent departments, audit LGAs, agencies, public authorities, and other bodies, with a view to providing a professional opinion on the financial statements of those entities as to whether they represent a true and fair view.

However, data from the CAG did not indicate the number of specialized procurement audits. The data show that performance audits are rarely done. Over five years (from 2017/18 to 2021/22), performance audits accounted for only 2 percent of the annual audits.

There are clear and reliable reporting lines to relevant oversight bodies for both external and internal audits. The reporting lines are clearly provided in the Public Audit Act of 2020 and PPA, CAP 410 (R.E.2022).



### ***Sub-indicator 12(c): Enforcement and follow-up on findings and recommendations***

Pursuant to the provisions under Regulation 92 of GN No. 446 of 2013, the PE is required to respond in writing within 14 days from the date of receipt of the recommendations, indicate the actions to be taken, and submit the implementation status within three months. Noncompliance has been reported in PPRA's APER 2023. Also, pursuant to Section 48 (2) of PPA CAP 410, the Head of the Internal Audit Unit of each PE is required to include compliance with PPA and its regulations in his/her quarterly reports. The act requires the AO to submit the report within 14 days after receiving the report from the Head of the Internal Audit Unit. For external audits carried out by the CAG, upon receipt of the management letter, the management of the audited entity is required to provide responses to the audit observations and submit the same to the CAG within 21 days from the date of receipt of the management letter in compliance with Regulation 86(2) of the Public Audit Regulations (GN No.47 of the PPR 2009).

Evidence demonstrates significant noncompliance in implementation of audit recommendations. For instance, the CAG report indicates that as of June 30, 2023, there were 7,342 previously issued audit recommendations for the central government. The CAG assessment reveals that only 2,946 (40.1 percent) were implemented, 2,725 (37.1 percent) are under implementation, 617 (8.4 percent) were not implemented, 366 (5 percent) were overtaken by events, and 688 (9.4 percent) recommendations were reiterated due to continued relevance.

Quantitative analysis of data from the MoF and the CAG office indicates that most of the audit recommendations are not implemented on time. Although the data from both sources did not indicate the extent of implementation of audit recommendations within the time frame established in the law, the data showed the extent of implementation in general.

Analysis of the internal audit recommendations data from the MoF's GARI-ITS system indicates a decreasing trend in audit performance. During FY2023/24, the average share of audit recommendations that were implemented nationally was only 5 percent for all audits and only 2 percent for procurement audits. This was a decrease of 6 percent from FY2022/23 for both categories.

In addition, data from the CAG office indicated that the average annual percentage of implementation of the CAG's audit recommendations was only 31 percent for central government entities, 25 percent for public authorities, and 30 percent for local governments. The data indicate that up to 45 percent of the audit recommendations were not implemented at all. This highest level of noncompliance was reported in 2018/19 for public authorities. While there are systems in place to follow up on the implementation/enforcement of audit recommendations, there are challenges with the auditee taking corrective measures.

### ***Sub-indicator 12(d): Qualification and training to conduct procurement audits***

Although Section 7 of the PSPTB Act 2007 gives the board the mandate to conduct professional examinations, leading to the granting of professional certificates and other awards of the board in procurement, procurement audit, supplies and stock audit, and other subjects relating to procurement and supplier management, the board confirmed that to date there are no trainings tailored to procurement auditors as per the PSPTB act. The board revealed that it has already prepared a training program for procurement and supply auditors—auditing skills and methodology dated August 2023. Further, the PPA gives the mandate to PPRA for enhancing capacity among stakeholders in the country on



matters related to public procurement. There is evidence of a professional development program focused specifically on the internal and external auditors from PSPTP, PPRA, and CAG to ensure that they are qualified to conduct high-quality procurement audits and performance audits. However, staff are trained on the general procurement matters like any other practitioners and not on the specificities of the function they are performing.

### **Substantive Gaps**

There are three substantive gaps under Indicator 12, which assesses whether the country has effective control and audit systems.

1. PPRA has insufficient resources to audit all PEs in Tanzania. Over five years (from 2017/18 to 2021/22), performance audits carried out by the CAG accounted for only 2 percent of the annual audits.
2. While there are established time frames for responding to and implementing audit recommendations as stipulated in the law, there is an inadequate monitoring and reporting mechanism to ensure full compliance with audit recommendations time frames.
3. While PSPTB, CAG, and PPRA conduct training courses, there are no data to indicate the number of training courses carried out for internal and external auditors in procurement audits and their level of specialization.

### **Minor Gaps**

- While there are systems in place to follow up on the implementation/enforcement of audit recommendations, there are challenges in implementing all audits recommendations by the audited entities. Failure to implement recommendations made by the CAG, IAG, and PPRA results in the recurrence of similar observations which ultimately contribute to inadequate and ineffective operational performance.

### **Recommendations**

- Provide PPRA with sufficient resources to be able to carry out an annual audit of all PEs. This will include developing a procurement audit module in NeST to enable internal and external audits to ensure that most of the compliance audits are carried out in the system. The module in NeST will be powered by artificial intelligence and machine learning.
- Develop a system for regular monitoring and reporting on the implementation of audit recommendations within the prescribed time frames to identify any instances of noncompliance and take corrective actions promptly. This will be done by a procurement audit module to be developed in NeST to enable internal and external audits. The audit module should have a window to track implementation of audit recommendations issued by the CAG, PPRA, and IAG.
- PSPTB, in collaboration with CAG and PPRA, should develop an effective training program to increase the number of trainings and trained staff to meet the demand for qualified auditors in public procurement audits.



## Summary of substantive gaps and recommendations of Indicator 12

Substantive gap	Risk	Recommendations
Assessment criterion 12(b)(c): PPRA has insufficient resources to carry out audits in all PEs in Tanzania. Over five years (from 2017/18 to 2021/22), performance audits carried by the CAG accounted for only 2% of the annual audits.	Medium risk	Provide PPRA with sufficient resources to be able to carry out audits annually for all PEs. This will include developing a procurement audit module in NeST to enable internal and external audits to ensure that most of the compliance audits are carried out in the system. The module in NeST will be powered by artificial intelligence and machine learning.
Assessment criterion 12(c)(a): While there are established time frames for responding to and implementing audit recommendations as stipulated in the law, there is an inadequate monitoring and reporting mechanism to ensure full compliance with audit recommendations time frames.	Medium Risk	Develop a system for regular monitoring and reporting on the implementation of audit recommendations within the prescribed time frames to identify any instances of noncompliance and take corrective actions promptly. This will be done by a procurement audit module to be developed in NeST to enable internal and external audits. The audit module should have a window to track implementation of audits recommendations issued by the CAG, PPRA, and IAG.
Assessment criterion 12(d)(a): While PSPTB, CAG, and PPRA conduct training courses, there are no data to indicate the number of training courses carried out for internal and external auditors in procurement audits.	Medium risk	PSPTB, in collaboration with CAG and PPRA, to develop an effective training program to increase the number of trainings and trained staff to meet the demand for qualified auditors in public procurement audits.

## Indicator 13. Procurement appeals mechanisms are effective and efficient

Pillar I covers aspects of the appeals mechanism as it pertains to the legal framework, including creation and coverage. This indicator further assesses the appeals mechanisms for a range of specific issues regarding efficiency in contributing to the compliance environment in the country and the integrity of the public procurement system.

### Synthesis of the Indicator

The assessment of this indicator reveals that there is an effective procurement appeals system in place where decisions are rendered based on available evidence submitted by the parties. PPAA and its regulations provide a two-tier system for handling procurement complaints which are the head (AO) of the PE and PPAA. PPAA has laid down clear procedures to follow up on submission of complaints by bidders dissatisfied with the tender process or decision made by the PEs. Reasonable fees are charged by PPAA to incentivize legitimate complaints and inhibit abuse of the system while also not restricting access to justice. The procedures are publicly available on the PPAA website. The appeals authority is not involved in any capacity in procurement transactions or in the process leading to contract award decisions. The assessment highlights gaps pointing to the absence of effective monitoring and evaluation of the decisions issued by the appeals authority and inadequate level of trust among bidders regarding the trustworthiness of appeals decisions.





## Findings

### ***Sub-indicator 13(a): Process for challenges and appeals.***

The procurement appeals decisions are rendered based on available evidence submitted by the parties. The legal framework provides a two-tier system for handling procurement complaints which are the head (AO) of the PE and PPAA. At the PE level, the AO should deliver a written decision within seven working days after the submission of the complaint or dispute, stating the reasons for the decision or indicating the corrective measures to be taken if the complaint is upheld in whole or in part. At the appeal authority level, PPAA is mandated to hear and determine complaints against PEs where a procurement or disposal of contract is already in force and appeals arising from administrative decisions made by the AO. Under this mandate, PPAA administers judicial proceedings and summons evidence from the parties before rendering its decisions. PPAA is required to issue a decision concerning the complaint or dispute within 45 days.

Data from PPAA indicate that the average annual number of registered appeals for the past five years (from 2018 to 2023) was about 42. Decisions are published on the PPAA website (<https://www.ppaa.go.tz/>). PPAA's appeal decisions from 2009 to 2023 can be accessed free of charge on its website. PPAA reported that there is no mechanism for tracking PEs' implementation of PPAA's decisions except those that end up submitted to the High Court for judicial review or applications for executions. PPAA reported that the government has developed a complaint and appeal management module in NeST which will start to be used once the new procurement legislation is in operation. However, the module is not full-fledged to issue notifications, track whether decisions are rendered timely and monitor implementation of decisions issued by the appeal authority.

### ***Sub-indicator 13 (b): Independence and capacity of the appeals body***

The legal framework has established the appeals body as an independent entity, and composition of the members is clearly provided. The appeals authority is not involved in any capacity in procurement transactions or in the process leading to contract award decisions. Section 44(1) provides that the procurement activities of the appeals authority shall be contracted out to the GPSA.

The PPA 2011 RE 2022 grants the mandate to the Minister of Finance to make regulations prescribing (among others) fees for various services rendered by the appeals authority. The fees are publicly available on the PPAA website (<https://www.ppaa.go.tz/en/payment-fee>). The fees charged are reasonable to incentivize legitimate complaints and inhibit abuse of the system while also not restricting access to justice. PPAA has laid down clear procedures to follow up on submission of complaints by bidders dissatisfied with the tender process or decision made by the PEs. The procedures are publicly available on the PPAA website.

Section 100(4) of PPA 2011 R.E. 2022 empowers PPAA to suspend the procurement process or, where necessary, the performance of the concerned procurement contract pending determination of the complaint or an appeal. Data from the appeals authority indicate that 100 percent of the appeals that were registered and determined between 2018 and 2023 were resolved within the time frame specified in law, which is 45 days. The decision of the appeals authority is binding on the parties to the complaint or appeal and is enforceable in the same manner as a decree or order of the court.



Currently, the appeals authority is resourced with the financial capacity to raise stakeholders' awareness of the module to 800 bidders and 300 public officers from different PEs. The planned number of 800 bidders and 300 public officers is considerably less than the number of bidders and PEs registered in NeST. The appeals authority has insufficient resources to conduct business outreach to all its stakeholders on the applicability of the complaint and appeal management module, lacks a mechanism to conduct virtual appeal hearing sessions to reduce complaint and appeal administrative costs to the parties and the appeal authority, and lacks diversified skills and competences among its members and staff.

***Sub-indicator 13 (c): Decisions of the appeals body***

PPAA's decisions are based on information relevant to the case. During appeals proceedings, the PEs are required to submit all relevant documents and information of the tender under dispute. Since PPA uses judicial proceedings, the parties are afforded the opportunity for hearing and defending their cases. The procedures governing the decision-making process are unbiased because decisions are based on information relevant to the case.

Assessment of the perception of the trustworthiness of the public procurement system among stakeholders indicated that out of 134 private sector stakeholders, 42 percent have never felt the public procurement appeals system to be trustworthy while 33 percent feel that the system is only sometimes trustworthy. The survey data also indicate that 42 percent of the respondents feel that PPAA's appeals decisions are sometimes provided timely. Furthermore, the findings indicate that 41 percent of the respondents were never satisfied with the appeals decisions while 27 percent are only sometimes satisfied with these decisions.

Based on data from PPAA for 2018–2023 revealed that on average 72 percent of appeals were determined in favor of the PEs annually, while on average 28 percent of appeals were upheld in favor of the appellants (bidders). The appeals decisions are published on its website ([www.ppaa.go.tz](http://www.ppaa.go.tz)) within the timelines specified in the law. Currently PPAA's decisions are only published on its website which is not user-friendly. Therefore, this affects transparency and accessibility for stakeholders who are seeking comprehensive insights into procurement appeals decisions.

**Substantive Gaps**

***Sub-indicator 13(a)(c): The body or authority (appeals body) in charge of reviewing decisions of the specified first review body issues final, enforceable decisions***

There are several substantive gaps in Indicator 13.

- Lack of monitoring and evaluation of the decisions issued by the appeals authority. There is no mechanism for tracking implementation of PPAA's decisions by PEs.
- The newly developed complaint and appeal management module in NeST does not have a mechanism for receiving notifications on the complaints submitted to the PE level for administrative review. The notification will enhance transparency by registering the number of complaints in public procurement processes.
- The newly developed complaint and appeal management module in NeST does not provide access to attorneys from the Office of the Solicitor General and private advocates.



## Minor Gaps

- Inability to conduct business outreach to all its stakeholders on the applicability of the complaint and appeal management module.
- Lack of mechanism to conduct virtual appeal hearing sessions to reduce complaint and appeal administrative costs to the parties and the appeal authority.
- Lack of diversified skills and competences among the members and staff of the appeals authority.
- Despite procedures being in place to ensure balanced and unbiased decisions, the level of trust among bidders regarding the trustworthiness of appeals decisions is not adequate.
- PPAA's decisions are not published on a central online platform but they are published in the appeal authority website <https://www.ppaa.go.tz/appeals>.

## Recommendations

- Enhance the complaint and appeal management module in NeST to a full-fledged system to enable notification to the appeals authority once a complaint is lodged with the PE, tracking and monitoring of implementation of its issued decisions, and publishing the rulings. The enhancement of the module should also provide the Office of the Solicitor General and private advocates access to the module.
- Capacitate PPAA with resources to conduct business outreaches on the newly developed complaint and appeal management module to many its stakeholders to ensure that the introduction of the module does not hinder the attainment of justice.
- Develop a mechanism for virtual hearing sessions in the appeal process to reduce administrative costs for parties and the appeal authority. In addition, members and staff should be capacitated with diversified skills and competences to enable PPAA to issue just and quality decisions.
- Design and develop a comprehensive digital library that will be accessible in both web-based interfaces and mobile platforms to be integrated into NeST. The aim of this initiative is to enhance accessibility of the issued appeal decisions, thus fostering transparency and user-friendliness of the information to the public.

## Summary of substantive gaps and recommendations of Indicator 13

Substantive gap	Risk	Recommendations
Assessment criterion 13(a)(c): <ul style="list-style-type: none"><li>• Lack of monitoring and evaluation of the decisions issued by the appeals authority. There is no mechanism for tracking implementation of PPAA's decisions by PEs.</li><li>• The newly developed complaint and appeal management module in NeST does not have a mechanism of receiving notifications on the complaints submitted to the PEs level for administrative review. The notification will enhance transparency by registering the number</li></ul>	High risk	Enhancement of the complaint and appeal management module in NeST to a full-fledged system to enable notification to the appeals authority once a complaint is lodged with the PE, track and monitor implementation of its issued decision, and publish the rulings. The enhancement of the module should also accord the Office of the Solicitor General and private advocates with access with the module.



Substantive gap	Risk	Recommendations
of complaints which are in public procurement processes. • The newly developed complaint and appeal management module in NeST does not provide access to attorneys from the Office of the Solicitor General and private advocates.		

## Indicator 14. The country has ethics and anti-corruption measures in place

This indicator assesses (a) the nature and scope of anti-corruption provisions in the procurement system and (b) how they are implemented and managed in practice. It also evaluates whether the system strengthens openness and balances the interests of stakeholders and whether the private sector and civil society support the creation of a public procurement market known for its integrity.

### Synthesis of the Indicator

The assessment reveals that the procurement legal framework provides legal definitions of the prohibited practices in public procurement, including fraud, coercion, collusion, and corruption, as well as conflict-of-interest provisions. It also provides clear definitions of individual responsibilities, accountability, and penalties for government employees and private firms or individuals found guilty of fraud, corruption, or other prohibited practices in procurement, without prejudice to other provisions in the criminal law. For instance, on suppliers, the legal framework stipulates that a tenderer whose tender has been rejected on the grounds of inducement or corrupt, fraudulent, collusive, coercive, or obstructive practices shall not be able to qualify or pre-qualify in any procurement proceedings for 10 years. In addition, the legal framework stipulates the responsibility of PEs for reporting corrupt, fraudulent, collusive, coercive, or obstructive practices or inducement to PCCB and relevant professional bodies for ethical proceedings, as stipulated in Section 84(6) of the PPA Cap 410 R.E 2022 as well as other laws such as the Criminal Procedure Act (CAP 20 R.E 2022) (Section 9), and the Prevention and Combating of Corruption Act (CAP 329 R.E 2022) (Section 39).

Despite the robustness of the legal framework in upholding ethics and anti-corruption in public procurement, substantive gaps remain in implementing and coordinating anti-corruption efforts across the watchdogs and oversight institutions (WOIs) as well as in the effectiveness of training programs on integrity and anti-corruption within the procurement workforce. The scope and frequency of integrity training programs are inadequate in ensuring comprehensive coverage of a wider range of procurement stakeholders and ensuring the relevant topics are emphasized regularly. Substantive gaps have also been revealed in the level of citizen engagement in the procurement process, particularly in terms of social audit and control. As a result, there is limited awareness of available channels for engagement, lack of capacity-building initiatives, and insufficient promotion by the government.

### Findings

#### ***Sub-indicator 14(a): Legal definition of prohibited practices, conflicts of interest, and associated responsibilities, accountability, and penalties***

The public procurement legal framework defines four main categories of prohibited practices in procurement: fraud, coercion, collusion, and corruption. The legal framework is quite robust and covers



all aspects of public procurement at all levels of government and is internationally acceptable. The legal framework also provides definitions of individual responsibilities, accountability, and penalties for government employees and private firms or individuals found guilty of fraud, corruption, or other prohibited practices in procurement, without prejudice to other provisions in the criminal law. The procurement law stipulates that an employee of the PE who engages in corrupt or fraudulent practices during the procurement proceedings, or the execution of the public financed contract, commits an offense and on conviction is liable to a fine not exceeding TZS 10 million or imprisonment for a term not exceeding three years or both (Section 83 (6) and Section 104 (2)(d) of PPA Cap 410 R.E. 2022).

Conflict of interest is also clearly defined under several acts, including Section 4 of the Public Leadership Code of Ethics Act (CAP 398 R.E. 2020) and Section 3 of the Prevention and Combating of Corruption Act (CAP 329 R.E. 2022). Provisions concerning 'conflict of interest' in the PPA Cap 410 R.E. 2022 are found in various sections including Sections 24(3), 40(5), 40(6), and 84(5) (also in various provisions of the PPA 2023 soon to be gazetted including Sections 42(5), 42(6), and 108). These provisions are also stipulated in the Public Leadership Code of Ethics Act and Regulation 29 of the Prevention and Combating of Corruption Regulations of 2009.

***Sub-indicator 14(b): Provisions on prohibited practices in procurement documents***

The legal framework stipulates that a tenderer whose tender has been rejected on the grounds of inducement or corrupt, fraudulent, collusive, coercive, or obstructive practices shall not be able to qualify or pre-qualify in any procurement proceedings for 10 years. The same provisions are incorporated in the procurement documents issued by PPRA. Also, standard tender documents contain instructions to tenderers, eligibility criteria including not having a conflict of interest, and ineligibility if the company is declared bankrupt or convicted of professional misconduct (Para 3 of the Instruction to Tenderers in the tender document). Generally, Sections 83–87 of the PPA Cap 410 R.E. 2022 and Regulations 78–85 of GN No.446 of 2013 stipulate prohibited practices in the procurement process.

The standard tender and contract documents contain instructions and provisions prohibiting fraudulent, corrupt, coercive, collusive, or obstructive practices, as specified in the legal framework. All standard documents used by the PEs are issued by PPRA.

***Sub-indicator 14(c): Effective sanctions and enforcement systems***

The legal framework stipulates the responsibility of PEs for reporting corrupt, fraudulent, collusive, coercive, or obstructive practices or inducement for debarment, as stipulated in Regulation 93(3)(a) of GN No. 446 of 2013. Such practices are reported to PCCB and relevant professional bodies for ethical proceedings, as stipulated in Section 84(6) of the PPA Cap 410 R.E. 2022. Similarly, Section 9 of the Criminal Procedure Act (CAP 20 R.E. 2022) provides for the legal obligation to report crimes, and Section 39 of the Prevention and Combating of Corruption Act (CAP 329 R.E. 2022) provides for the legal obligation to report corruption.

There is also a strict reporting requirement from the PEs to PPRA for any tenderers who breach the PPA and its regulations. The PPA mandates PPRA to investigate the matter before debarment whereby tenderers are given the opportunity to respond to the reported breach, and, when convicted, tenderer will be debarred from public procurement. Most cases reported by the PE are failures to implement



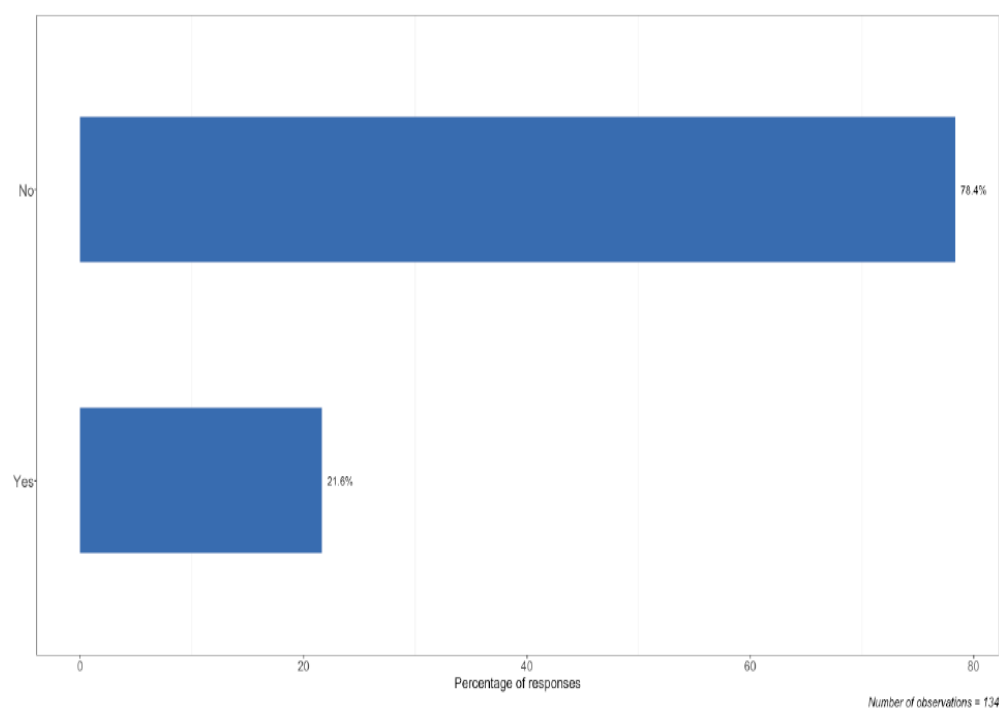
contracts and fraudulent conduct by tenderers. Evidence of debarred companies is available on the PPRA website.<sup>16</sup>

The legal framework also provides a system for suspension and debarment that ensures due process and is consistently applied. The system is covered by Section 100, Section 83(3), and Section 62 of the PPA of 2011. Section 83 of the PPA R.E 2023 and Regulation 93 (1–3) of GN No.446 of 2013 require the PE or any person to report to PPRA the tenderer engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in procurement, award of contract, or the execution of that contract. There are clear procedures for reporting corrupt, fraudulent, collusive, coercive, or obstructive practices in procurement, and PPAA acts to identify and report cases.

Data from PCCB indicate that from 2018/19 to 2022/23, a total of 256 individuals were prosecuted for various corruption offenses related to public procurement, out of which 71 were convicted and sentenced to pay fines, imprisonment, or both. Among the prosecuted individuals, 246 were public officials, while among those convicted on corruption offenses related to public procurement, 64 were government officials. PCCB further reports that as of 2022/23, 180 files on corruption allegations related to procurement were still under investigation. Also, in a survey, private sector stakeholders were asked whether they have ever been in a situation where their firms ended up paying gifts or bribes to secure a business opportunity, where 78 percent said no while only 22 percent said yes.

**Figure 14: Private Sector's responses on the Corruption**

**Question: Have you ever been in a situation where your firm ended paying gifts or bribes in order to secure your business opportunity?**



<sup>16</sup> <https://www.ppra.go.tz/blacklisted-firms>



#### ***Sub-indicator 14(d): Anti-corruption framework and integrity training***

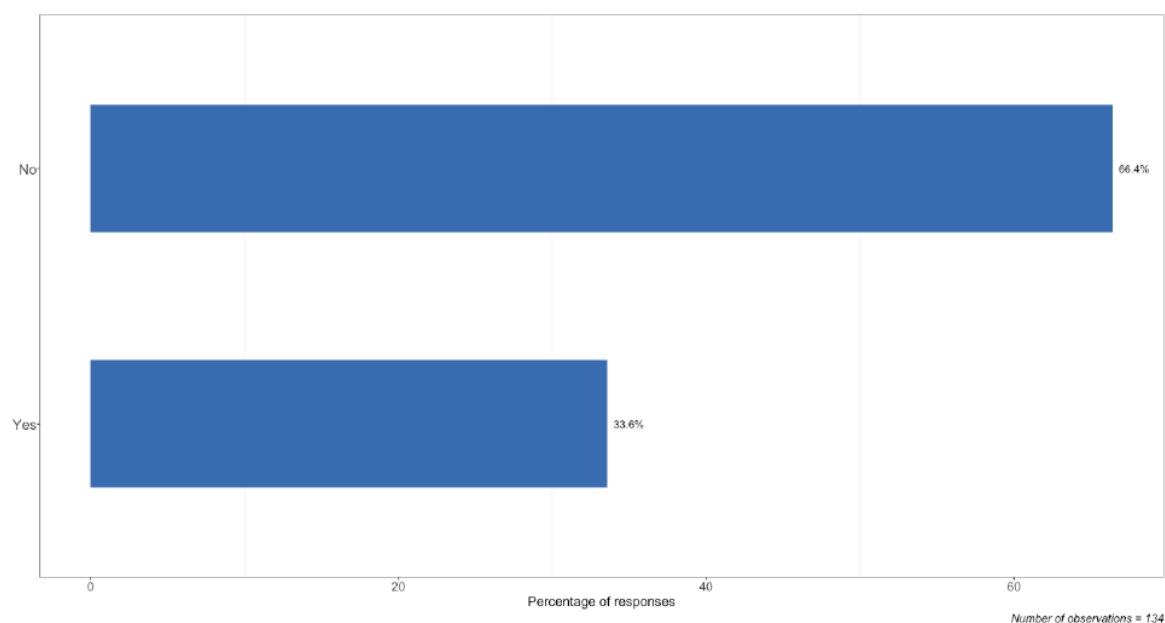
The country has in place a comprehensive institutional anti-corruption framework such as Article 9(h) of Constitution of the United Republic of Tanzania of 1977, PCCA (CAP 329 R.E. 2022) and its regulations of 2009, Economic and Organized Crime Control Act (CAP 200 R.E. 2022), Anti-Money Laundering Act (CAP 423 R.E. 2022), Penal Code (CAP 16 R.E. 2022), the Proceeds of Crimes Act (CAP 256 R.E. 2022), Public Service Act No.8 of 2022 and its regulations, Public Leadership Code of Ethics Act (CAP 398 R.E. 2020) and its regulations, and PPA Cap 410 R.E. 2022. Further, Tanzania has a National Anti-Corruption Strategy and Action Plan, currently in phase four (NACSAP IV, 2023–2030). Under NACSAP IV, there are WOIs, that is, PCCB, PPRA, National Prosecution Services (NPS), Office of the Attorney General (OAG), President’s Office Public Service Management and Good Governance (PO-PSMGG), Ethics Secretariat (ES), Commission for Human Rights and Good Governance (CHRGG), NAO, and Financial Intelligence Unit (FIU) charged with upholding integrity and undertaking anti-corruption initiatives in the country. The responsibilities for these WOIs against corruption are described in their respective mandates.

Survey data from stakeholders indicate that there is a consensus between the private sector and CSOs in terms of lower effectiveness of anti-corruption measures. Among the surveyed private sector stakeholders, 66.4 percent indicated that Tanzania’s anti-corruption measures are not effective enough, while 51.4 percent of the CSOs expressed the same.

**Figure 15: Private Sector’s responses on the anti-corruption measures**

**Question: Are you of the opinion that the Tanzania anti-corruption measures are effective enough?**

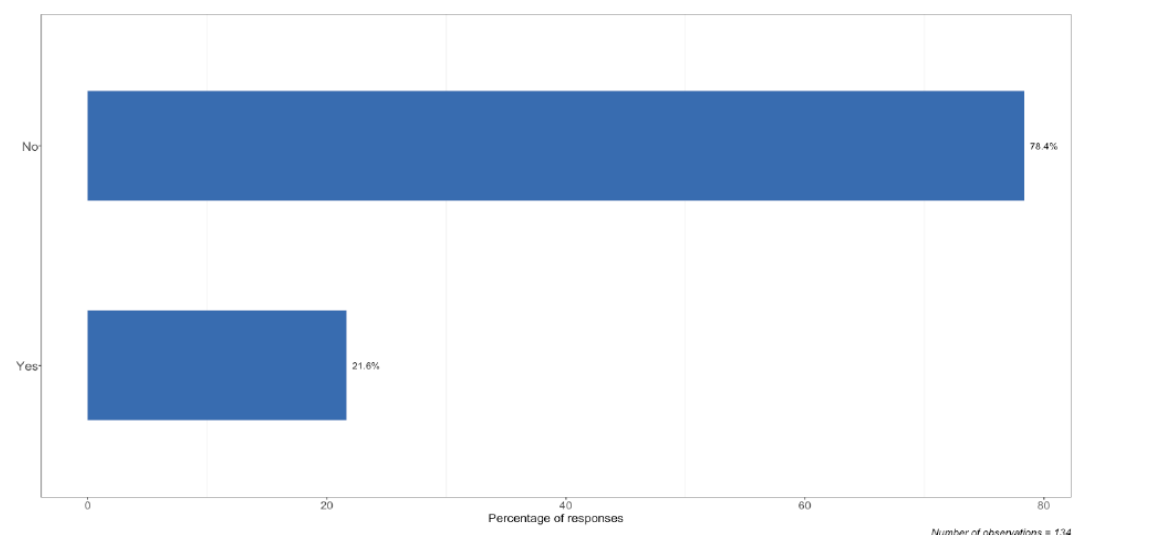
*Note: Consensus between Private Sector and CSOs in terms of lower effectiveness of anti-corruption measures*





**Figure 16: Private Sector's responses on the anti-corruption measures**

**Question: Have you ever been in a situation where your firm ended paying gifts or bribes in order to secure your business opportunity?**



PCCB issues public notifications on the statistics of complaints received, investigations, and prosecutions conducted each quarter. Also, anti-corruption activities are reported on a quarterly basis. The reports are available on PCCB's website.<sup>17</sup> PCCB also publishes a list of convicted persons on its website.<sup>18</sup>

PPRA has whistleblowing guidelines and forms for whistleblowers to report information on the violation of the PPA and PPR. The information is used to conduct investigations and recommend appropriate actions to involved officials and individuals. The guidelines are available on the PPRA website.<sup>19</sup> Further, PPRA has a feedback module on its website where complaints/allegations can be reported, and feedback provided to complainants.

PCCB conducts training of public employees (including procurement personnel) on 'Fighting Corruption at the Workplace' which entails knowledge of corruption offenses (as per PCCA, Cap 329) that are also associated with procurement such as corrupt transactions in procurement (Section 17), use of documents intended to mislead principal (Section 22), obtaining advantage (Section 23), diversion (Section 29), abuse of position (Section 31), and conspiracy (Section 32). The assessment revealed that there are no specific trainings on integrity for stakeholders.

#### ***Sub-indicator 14(e): Stakeholder support to strengthen integrity in procurement***

CSOs are relatively well developed in Tanzania. There is no provision in procurement legislation that empowers CSOs to exercise social audit and control in the procurement process. The law allows only limited observation opportunities to the CSOs and the public through tender opening ceremonies as well as access to published information such as GPNs and contract award decisions. However, the current level of citizen engagement in the procurement process, particularly in terms of social audit and control, is not fully effective in promoting transparency and accountability in procurement activities. Also, despite the

<sup>17</sup> <https://www.pccb.go.tz/index.php/taarifa-kwa-umma/>.

<sup>18</sup> <https://www.pccb.go.tz/index.php/2022/06/28/orodha-ya-waliohukumiwa-na-kupatikana-na-hatia-convicted-2019-2021>.

<sup>19</sup> <https://www.ppra.go.tz/publications/whistleblowing-guidelines>.



presence of an enabling environment for CSOs to participate as third-party monitors in procurement, there is no evidence to conclude that civil society contributes to shaping and improving integrity of public procurement.

The legal framework requires both PEs and tenderers to refrain from engaging in fraud and corruption. Tenderers are also required to fill an Integrity and Anti-Bribery form during tendering, committing that the suppliers will not offer or facilitate, directly or indirectly, any improper inducement or reward to any public officer, their relations, or business associates in connection with its tender and that the bidder has an Anti-Bribery Policy/Code of Conduct and a Compliance Program. However, data were not available regarding the number of suppliers that have internal compliance measures in place. According to PPRA, there is currently no requirement for disclosure of suppliers' internal compliance measures.

***Sub-indicator 14(f): Secure mechanisms for reporting prohibited practices or ethical behavior***

There are secure, accessible, and confidential channels for reporting cases of fraud, corruption, or other prohibited practices or unethical behavior. PCCB has secure, accessible, and confidential channels for reporting such cases. The public is educated on the evils of corruption and the protection of whistleblowers and witnesses and encouraged to report acts of corruption via a toll-free number (113), the PCCB website, letters to the Director General, emails, or nearest PCCB Offices or anonymously through intelligence means. Also, PPRA has whistleblowing guidelines and forms used by whistleblowers to report information on the violation of PPA and PPR. The whistleblower information is used to conduct investigations and recommend appropriate actions to the staff involved. The guideline is available on the PPRA website.<sup>20</sup> There are legal provisions to protect whistleblowers, and these are considered effective, such as Sections 51 and 52 of the Prevention and Combating of Corruption Act (CAP 329 R.E. 2022) and the Whistle Blowers and Witness Protection Act CAP 446 (R.E. 2022).

There is a functioning system that serves to follow up on disclosures. For PCCB, there is a system that captures all disclosures. Specific offices in charge of this role include the Call Centre and the Information Centre. After capturing disclosures, they are analyzed to determine those related to corruption and they are channeled for investigation. In addition, matters not related to corruption are referred to appropriate authorities. The scope of the Memorandum of Understanding (MoU) between PPRA and PCCB also covers information sharing, and hence PCCB systematically receives information on corruption in procurement from PPRA. PCCB provides feedback to informers on the status of the disclosures. PPRA has whistleblowing guidelines and forms for whistleblowers to report information on the violation of PPA and PPR. The information is used to conduct investigations and recommend appropriate action to the staff involved. The complaints/allegations submitted are reviewed appropriately and actions are taken. The guidelines are available on the authority's website.<sup>21</sup> Further, PPRA has a feedback module on its website where complaints/allegations can be reported and feedback provided to the complainants.

***Sub-indicator 14(g): Codes of conduct/codes of ethics and financial disclosure rules***

Tanzania has a Code of Ethics and Conduct for Public Officers and Tenderers Engaging in Public Procurement 2021 which was made under Section 105 of the PPA Cap 410 R.E 2022. The code of ethics and conduct stipulates obligations of the public officers engaging in public procurement, ethical

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<sup>20</sup> <https://www.ppra.go.tz/publications/whistleblowing-guidelines>



obligations for tenderers, prohibitions to public officers, and prohibitions to tenderers. No data were available on the share of PEs that have a mandatory code of conduct or ethics, with particular provisions for those involved in PFM, including procurement. All PEs are subject to this code, and therefore, it can be concluded that 100 percent of the PEs have a mandatory code of ethics and conduct published by the MoF.

The Code of Ethics and Conduct for Public Officers defines accountability and obligations for public officials as well as tenderers. In addition, it requires disclosure of conflicts of interest by public officials and adherence to professional etiquette in handling procurement activities. Section 55 of the Code requires that public officers directly involved in procurement processes shall fill in and duly sign a Declaration and Commitment Form provided for in Form No. I of the Schedule to the Code.

The code of ethics and conduct is mandatory to both public officers and tenderers. Section 54 of Code of Ethics and Conduct for Public Officers and Tenderers Engaging in Public Procurement 2021 stipulates that a public officer who contravenes the provisions of the Code shall be dealt with under the PPA, the Public Service Act, the Public Leadership Code of Ethics Act, the Prevention and Combating of Corruption Act, or any other relevant law. The section further stipulates that a tenderer who fails to comply with the Code shall be dealt with under the PPA, the Prevention and Combating of Corruption Act, or any other relevant law in force at the time.

By virtue of Section 55 of the Code, the legal framework also requires that public officers directly involved in procurement processes shall fill in and duly sign a Declaration and Commitment Form provided for in Form No. I of the Schedule to the Code. There is no evidence to indicate how the Declaration and Commitment Forms are accessible and utilized by decision-makers to prevent corruption risks throughout the public procurement cycle. There is neither a specific requirement for completing financial disclosure forms nor information on beneficial ownership under the Code and in the procurement cycle.

## **Substantive Gaps**

### ***Sub-indicator 14(d): Anti-corruption framework and integrity training***

There are two substantive gaps under sub-indicator 14(d) which assesses the adequacy of the anti-corruption framework and integrity training:

1. While Tanzania has a comprehensive anti-corruption framework involving various WOIs, there are gaps in effectively implementing and coordinating anti-corruption efforts across these agencies. The private sector and CSOs' survey shows significant gaps and lack of effectiveness (51–66 percent not effective) of anti-corruption measures in public procurement.
2. The assessment revealed that there are no specific trainings on integrity for stakeholders.

The level of risk associated with the two gaps is considered high, and red flags are assigned because their mitigations go beyond the procurement system.

### ***Sub-indicator 14(e): Stakeholder support to strengthen integrity in procurement***

There are three substantive gaps under sub-indicator 14(e) which assesses effectiveness of stakeholder support to strengthen integrity in public procurement:



1. There is no provision in the procurement legislation that empowers CSOs to exercise social audit and control in the procurement process. The current level of citizen engagement in the procurement process, particularly in terms of social audit and control, is not fully effective in promoting transparency and accountability in procurement activities.
2. The procurement framework does not have provisions to empower CSOs to have a meaningful role as third-party monitors in the procurement implementation.
3. There is no evidence to conclude that civil society contributes to shape and improve integrity of public procurement.
4. Lack of comprehensive data on the suppliers with internal compliance measures in place hinders the assessment of the effectiveness of these measures in promoting integrity and ethical behavior in public procurement.

The level of risk associated with these gaps is considered high compared to the rest of the gaps, because the uncertainties attributed to these gaps can limit the level of participation of bidders in the procurement process, hence reducing competition and affecting the ability to achieve value for money. Red flags are assigned to the first two gaps because their implementation will require change of the law by the parliament.

***Sub-indicator 14(g): Codes of conduct/codes of ethics and financial disclosure rules***

There is one substantive gap under sub-indicator 14(g) which assesses the existence and effectiveness of codes of conduct, ethics, and financial disclosure rules in public procurement:

1. While PPRA conducts training programs on public procurement and related regulations, there is a need to expand the scope of the training program to adequately include ethics and codes of conduct.
2. Insufficient transparency and accountability in the monitoring and evaluation of potential conflicts of interests by public officials, potentially hindering their ability to effectively enhance public confidence and integrity.

The level of risk associated with this gap is considered medium because the likelihood and impact on the entire procurement system is moderate.

**Minor Gaps**

- While the Code of Ethics and Conduct for Public Officers defines accountability and obligations for public officials as well as tenderers, there is no legal requirement for reporting and disclosure of financial interests by officials involved in public procurement decisions.

**Recommendations**

- Enhance coordination and collaboration among the involved WOIs to ensure the effective implementation of anti-corruption measures and the prevention of corruption in government.
- Develop and deliver special training programs on integrity for a wider range of procurement stakeholders.



- Develop comprehensive and mandatory integrity e-Learning training modules and require public officials to undertake such trainings on a regular basis (for example, annually or every two years) and establish appropriate incentives to ensure uptake of the courses, such as designated audit and reporting, and suspend access to NeST for noncompliant officials.
- Improve transparency and accessibility of procurement information to facilitate greater citizen engagement and participation in social audit and control. Procurement legislation should have explicit provisions to empower CSOs to exercise social audit and monitoring in the procurement process. This should go hand in hand with the exercise of identifying and mapping CSOs that have an interest in procurement and/or governance.
- Establish a mechanism for involvement of the CSOs to have a meaningful role as third-party monitors in the procurement implementation.
- Design and implement a suppliers integrity program, along with strengthening monitoring and enforcement mechanisms to ensure effective compliance. Suppliers should demonstrate their internal compliance measures including evidence while registering in NeST. PPRA should facilitate such a window in NeST and make it mandatory for all suppliers.
- NeST needs to be further updated to notify system-generated red flags on the indication of wrongdoing or fraud and corruption using artificial intelligence.
- Expand training programs and communication strategies to cover codes of conduct/codes of ethics for the procurement officers and those involved in making decisions on procurement matters.

#### Other Recommendations

- Strengthen capacity-building initiatives for CSOs to enhance their understanding of procurement processes, integrity mechanisms, and their roles in providing effective oversight.
- Establish structured mechanisms for systematic collection, analysis, and utilization of feedback and input from CSOs in shaping and improving integrity in public procurement, including regular consultations, workshops, and forums dedicated to fostering collaboration between CSOs and procurement authorities.
- Enhance transparency and accountability in procurement decision-making by implementing mechanisms for requiring, tracking, and monitoring the filing of financial disclosure forms by officials involved in public procurement decisions.
- Amend the Code of Ethics and Conduct for Public Officers and Tenderers 2021 by requiring public officials involved in procurement processes (including AOs, procurement staff, TB members, and User Departments) to file conflict-of-interest statements, financial disclosure forms, and information on beneficial ownership.

#### Summary of substantive gaps and recommendations of Indicator 14

Substantive gap	Risk	Recommendations
Assessment criterion 14(d)(a): While Tanzania has a comprehensive anti-corruption framework involving various WOIs, there are gaps in effectively implementing and	High risk with red flag	Enhance coordination and collaboration among the involved WOIs to ensure the effective implementation of anti-corruption measures and the prevention of corruption in government.



Substantive gap	Risk	Recommendations
coordinating anti-corruption efforts across these agencies. The private sector and CSOs survey shows significant gaps and lack of effectiveness (51–66% not effective) of anti-corruption measures in public procurement.		NeST needs to be further updated to notify system-generated red flags on the indication of wrongdoing or Fraud and Corruption using Artificial Intelligence.
Assessment criterion 14(e)(c): There is no evidence to conclude that civil society contributes to shape and improve integrity of public procurement.	High Risk	Strengthen capacity-building initiatives for CSOs to enhance their understanding of procurement processes, integrity mechanisms, and their roles in providing effective oversight.
		Establish structured mechanisms for systematic collection, analysis, and utilization of feedback and input from CSOs in shaping and improving integrity in public procurement, including regular consultations, workshops, and forums dedicated to fostering collaboration between CSOs and procurement authorities.
Assessment criterion 14(d)(e): The assessment revealed that there are no specific trainings on integrity for stakeholders.	High risk with red flag	Develop and deliver special training programs on the integrity for a wider range of procurement stakeholders.
		Develop comprehensive and mandatory integrity e-Learning training modules and require public officials to undertake such trainings on regular basis (for example, annually or every two years).  Establish appropriate incentives to ensure uptake of the courses, such as designated audit and reporting, and suspend access to NeST for noncompliant officials.
Assessment criterion 14(e)(a): There is no provision in the procurement legislation that empowers CSOs to exercise social audit and control in the procurement process. The current level of citizen engagement in the procurement process, particularly in terms of social audit and control, is not fully effective in promoting transparency and accountability in procurement activities.	High Risk with red flag	Improve transparency and accessibility of procurement information to facilitate greater citizen engagement and participation in social audit and control.
Assessment criterion 14(e)(b): The procurement framework does not have provision to empower CSOs to have a meaningful role as third-party monitors in the procurement implementation.	High Risk with red flag	Establish a mechanism for involvement of the CSOs to have a meaningful role as third-party monitors in the procurement implementation.
Assessment criterion 14(e)(d): Lack of comprehensive data on the suppliers with internal compliance measures in place hinders the assessment of the effectiveness of these measures in promoting integrity and ethical behavior in public procurement.	Medium risk	Design and implement a suppliers integrity program, along with strengthening monitoring and enforcement mechanisms, to ensure effective compliance.
While PPRA conducts training programs on public procurement and related regulations,	Medium risk	Expand training programs and communication strategy to cover codes of conduct/codes of ethics



Substantive gap	Risk	Recommendations
there is a need to expand the scope of the training program to adequately include ethics and code of conduct.		<p>to the procurement officers and those involved in making decisions on procurement matters.</p> <p>Develop comprehensive and mandatory ethics e-Learning training modules and require public officials and bidders to undertake such trainings on a regular basis (for example, annually or every two years) and establish appropriate incentives to ensure uptake of the courses, such as designated audit and reporting, and suspend access to NeST for noncompliant officials.</p>
Assessment criterion 14(g)(e): Insufficient transparency and accountability in the monitoring and evaluation of potential conflicts of interests by public officials, potentially hindering their ability to effectively enhance public confidence and integrity.	High Risk	<p>Amend the Code of Ethics and Conduct for Public Officers and Tenderers 2021 by requiring public officials involved in procurement processes (including Accounting Officers, procurement staff, tender board members and user departments) to file conflict of interest statements, financial disclosure forms and information on beneficial ownership.</p> <p>Implement an effective disclosure program where the declarations of conflict of interest, financial disclosures and information on beneficial ownership can be accessible and utilized by decision makers to prevent corruption risks throughout the public procurement cycle.</p>

## 4. Consolidated Recommendations

The key recommendations of the assessment are grouped around four main themes: Sustainable Public Procurement, Public Procurement Cycle, Monitoring and Oversight, and Sustainable Capacity Development.

### I. Sustainable Public Procurement

Develop, promote, and implement SPP to ensure green, social, and economic benefits through the following recommendations:

- Develop a strategy and amendments to existing procurement laws and regulations to ensure full integration of SPP procedures with a specific emphasis on green procurement to achieve net zero.
- Develop the SPP policy.
- Develop SPP implementation tools, including, but not limited to, guidelines, bidding documents, and a monitoring and evaluation framework, including a guidance note on green procurement.
- Create an SPP window in NeST to enable compliance monitoring, data tracking, and implementation performance measurement.
- Implement SPP in standard public procurement in a phased approach within a set deadline, starting with a pilot with a few key PEs.





- Carry out a market assessment of the current capacity of women-owned enterprises followed by the implementation of a capacity development program.

## **II. Public Procurement Cycle**

Improve the effectiveness and efficiency of the public procurement cycle through the following recommendations:

- Interlink NeST with the budget and accounts and ensure publication of procurement plans to enable automatic calculation of the real-time implementation status in terms of budget utilization of ongoing and finished contracts.
- Introduce legal requirement for the mandatory use of NeST and remedies for all public procurement in a phased approach.
- Develop a cost estimation module in NeST
- Increase the efficiency in average processing time for the procurement cycle.
- Develop a supplier's module that will provide automated post-qualification data for bid evaluation and help in market analysis.
- Develop a fully automated bid evaluation module with a workflow that will enable the automatic verification of elements such as post-qualification, meeting mandatory qualification requirements that are historical in nature, financial qualifications, and so on. The evaluation committee will review the subjective aspects of the evaluation, specifically technical marking/rated criteria.
- Enhance the complaint and appeal management module in NeST to a fully-fledged system to enable notification to the appeals authority once a complaint is lodged to the PE, tracking and monitoring of implementation of its issued decision, and publishing the rulings.

## **III. Monitoring and Oversight**

Ensure the efficiency and effectiveness of the public procurement system through the effective use of data and the strengthening of monitoring and oversight functions through the following recommendations:

- Develop into NeST system-generated red flags on the indication of wrongdoing or fraud and corruption using artificial intelligence.
- Ensure publication of data from the different stages of the procurement processes into NeST in a machine-readable OCDS format allowing easy download and viewing by the interested users.
- Establish a centralized online portal under NeST publishing procurement data in a data visualization format with charts, graphs, and tables, which help the different stakeholders and CSOs to understand the procurement outcome in a systemic manner.
- Develop NeST to include and generate data on key performance indicators regarding the functioning of the procurement system.
- Further develop the framework module under NeST to include an e-catalogue, buffer stock calculation, automated PO generation based on user needs, and delivery lead time.



- Conduct a third-party IT system audit periodically to identify system vulnerabilities and risks and ensure the reliability of the system by implementing the appropriate risk mitigation measures.
- Develop a procurement audit module in NeST to enable internal and external audits, powered by artificial intelligence and machine learning.
- Improve transparency and accessibility of procurement information to facilitate greater citizen engagement and participation in social audit and control.

#### **IV. Sustainable Capacity Development**

Develop the capacity, capability, and integrity of procurement officials and other stakeholders to support the achievement of all other objectives through the following recommendations:

- Implement targeted awareness and capacity-building programs for all procurement officials and relevant stakeholders on SPP principles, benefits, and practices. This should include capacity-building programs dedicated to women-led businesses.
- Develop an effective training program to increase the number of trainings and trained staff to meet the demand for qualified auditors in public procurement audits.
- Develop comprehensive and mandatory integrity e-Learning training modules and require public officials to undertake such trainings on a regular basis (for example, annually or every two years) and establish appropriate incentives to ensure uptake of the courses, such as designated audit and reporting and suspending access to NeST for noncompliant officials.

## **5. Strategic Planning**

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The set of consolidated recommendations above, which respond to the findings of the assessment and the results at the level of sub-indicators reveals the major areas of strength and weaknesses of the public procurement system in Tanzania. Those recommendations serve as overall guidance for crafting elements of a phased, multiyear strategy to address the strategic planning process.

The Table 3 on the overview assessment sets up each of the substantive gaps and red flags per pillar, which shall inform the strategic planning. Overall, based on the assessment results, Pillar I is relatively strong with 88 percent of its assessment criteria in full compliance, followed by Pillars IV and II (66 percent and 62 percent, respectively). Most of the substantive gaps are from Pillars III and IV (70 percent of the substantive gaps combined). These consider existing international agreements and were discussed with the stakeholders to establish the priority actions for the future.

A higher-level government intervention and interinstitutional efforts will be required for recommendations offered in the prioritized action plan, with suggested priorities (short term/medium term/long term) and recommended responsible agencies which were established in consultation with the main stakeholders and having in view their roles and responsibilities within the public procurement system.



Pillar	Main actions	Priority <sup>22</sup>	Timeline <sup>23</sup>	Responsible institution
<b>Sustainable public procurement: Develop, promote, and implement SPP to ensure green, social, and economic benefits</b>				
Pillar I 3(a): Sustainable Public Procurement (SPP)	1. Develop strategy and amendments to existing procurement laws and regulations to ensure full integration of SPP procedures with a specific emphasis on green procurement to achieve net zero.	1	Short term	MoF (PPPD)
	2. Develop the SPP policy.	1	Medium term	MoF (PPPD)
	3. Develop SPP implementation tools, including, but not limited to, guidelines, bidding documents, and monitoring and evaluation framework, including a guidance note on green procurement.	1	Short term	PPRA
	4. Create an SPP window in NeST to enable compliance monitoring, data tracking, and implementation performance measurement.	1	Medium term	PPRA
	5. Implement SPP in public procurement within a set deadline, starting with a pilot with a few key PEs (phased approach).  10% - July 2024 to June 2025 25% - July 2025 to June 2026 50% - July 2026 to June 2027 75% - July 2027 to June 2028  <i>Source of funding: The World Bank funded the PFM and Service Delivery Program, with a US\$4 million budget allocated for SPP design and implementation. Other possible funding sources are the development partners and government funds.</i>	1	Short term	PPRA
	6. Carry out a market assessment of the current capacity of women-owned enterprises followed by the implementation of a capacity development program.  Target: The contracts awarded through NeST (e-GP system) by procurement agencies in Mainland to the women-owned SMEs has reached at least 5% of the total contracts awarded in NeST in 2028.	2	Long term	PPRA

<sup>22</sup> Top priority 1, medium priority 2, and low priority 3.

<sup>23</sup> Short term within one-year, medium term one to three years, and Long term more than three years.



Pillar	Main actions	Priority <sup>22</sup>	Timeline <sup>23</sup>	Responsible institution
	<i>Source of fund: The World Bank funded the PFM and Service Delivery Program, with a US\$0.5 million budget allocated for women-owned SMEs.</i>			
<b>Public Procurement Cycle: Improve the effectiveness and efficiency of the public procurement cycle</b>				
Pillar II 4(a): Procurement planning and the budget cycle	7. Interlink NeST with the budget and accounts and ensure publication of procurement plans to enable automatic calculation of the real-time implementation status in terms of budget utilization of ongoing and finished contracts.	1	Short term	PPRA and MoF (PPPD)
	8. Enforce legal requirement of mandatory use of NeST and remedies for all public procurement in a phased approach.  Share of procurement in Mainland that PEs processed through NeST: 10% - July 2024 to June 2025 25% - July 2025 to June 2026 50% - July 2026 to June 2027 75% - July 2027 to June 2028  <i>Source of funding: The World Bank funded the PFM and Service Delivery Program, with a US\$5 million budget allocated for e-GP rollout.</i>	1	Short term	MoF (PPPD) and PPRA
Pillar III 9(a): Planning	9. Develop a cost estimation module in NeST.	2	Short to medium term	PPRA
Pillar III 9(b): Selection and contracting	10. Increase the efficiency in average processing time for the procurement cycle.	1	Medium to long term	PPRA
	11. Develop a supplier's module that will provide automated post-qualification data for bid evaluation and help in market analysis.	2	Medium term	PPRA
	12. Develop a fully automated bid evaluation module with workflow.  <i>Source of funding: The World Bank funded the PFM and Service Delivery Program, with a US\$3 million budget allocated for increasing efficiency in average procurement processing time. Other possible funding sources are the development partners and government funds.</i>	1	Medium term	PPRA
Pillar IV	13. Enhance the complaint and appeal management module in NeST to a fully-	2	Medium term	CAG, PPRA, and IAG



Pillar	Main actions	Priority <sup>22</sup>	Timeline <sup>23</sup>	Responsible institution
13(a)(c): The body or authority (appeals body) in charge of reviewing decisions of the specified first review body issues final, enforceable decisions	<p>fledged system to enable notification to the appeals authority once a complaint is lodged to the PE, tracking and monitoring of implementation of its issued decision, and publishing the rulings.</p> <p><i>Source of funding: The possible funding sources are the development partners and government funds.</i></p>			
<b>Monitoring and Oversight: Ensure the efficiency and effectiveness of the public procurement system through the effective use of data and the strengthening of monitoring and oversight functions</b>				
Pillar II 5(b): Responsibilities of the normative/regulatory function	<p>14. Develop into NeST system-generated red flags on the indication of wrongdoing or fraud and corruption using artificial intelligence.</p> <p><i>Source of funding: The World Bank funded the PFM and Service Delivery Program, with a US\$5 million budget allocated for e-GP rollout. Other possible funding sources are the development partners and government funds.</i></p>	2	Medium term	PPRA and PCCB
Pillar II 7(a): Publication of public procurement information supported by information technology	<p>15. Ensure publication of data from the different stages of the procurement processes into NeST in machine-readable OCDS format allowing easy download and viewing by interested users in a phased approach.</p> <p>25% - July 2024 to June 2025 50% - July 2025 to June 2026 75% - July 2026 to June 2027 90% - July 2027 to June 2028</p>	1	Short term	PPRA
	<p>16. Establish a centralized online portal under NeST publishing procurement data in a data visualization format with charts, graphs, tables, which help the different stakeholders and CSOs understand the procurement outcome in a systemic manner.</p> <p><i>Source of funding: The World Bank funded the PFM and Service Delivery Program, with a US\$5 million budget allocated for e-GP rollout. Other possible funding sources are the development partners and government funds.</i></p>	2	Medium term	PPRA
Pillar II 7(b): Use of e-Procurement	17. Develop NeST to include and generate data on key performance indicators	1	Short term	PPRA



Pillar	Main actions	Priority <sup>22</sup>	Timeline <sup>23</sup>	Responsible institution
	regarding the functioning of the procurement system.			
	<p>18. Further develop the framework module under NeST to include an e-catalogue, buffer stock calculation, automated PO generation based on user needs, and delivery lead time.</p> <p><i>Source of funding: The World Bank funded the PFM and Service Delivery Program, with a US\$5 million budget allocated for e-GP rollout. Other possible funding sources are the development partners and government funds.</i></p>	2	Medium term	GPSA, MSAP, PPRA, and MoF
Pillar II 7(c): Strategies to manage procurement data	<p>19. Conduct a third-party IT system audit periodically to identify system vulnerabilities and risks and ensure the reliability for the system by implementing the appropriate risk mitigation measures.</p> <p><i>Source of funding: The World Bank funded the PFM and Service Delivery Program, with a US\$5 million budget allocated for e-GP rollout.</i></p>	1	Short term	PPRA
Pillar II 5(b): Responsibilities of the normative/regulatory function  Pillar IV 12(c): Enforcement and follow-up on findings and recommendations	<p>20. Develop a procurement audit module in NeST to enable internal and external audits, powered by artificial intelligence and machine learning.</p> <p><i>Source of funding: The World Bank funded the PFM and Service Delivery Program, with a US\$5 million budget allocated for e-GP rollout. Other possible funding sources are the development partners and government funds.</i></p>	2	Medium term	CAG, PPRA, and IAG
Pillar IV 14(e): Stakeholder support to strengthen integrity in procurement	<p>21. Improve transparency and accessibility of procurement information to facilitate greater citizen engagement and participation in social audit and control.</p> <p><i>Source of funding: The possible funding sources are the development partners and government funds.</i></p>	2	Medium term	MoF (PPPD) and PPRA
<b>Sustainable Capacity Development: Develop the capacity, capability, and integrity of procurement officials and other stakeholders to support the achievement of all other objectives</b>				
Pillar I	22. Implement targeted awareness and capacity-building programs for all procurement officials and relevant	1	Short term	PPRA, MoF, and PSPTB



Pillar	Main actions	Priority <sup>22</sup>	Timeline <sup>23</sup>	Responsible institution
3(a): Sustainable Public Procurement (SPP)	<p>stakeholders on SPP principles, benefits, and practices.</p> <p><i>Source of funding: The World Bank funded the PFM and Service Delivery Program, with a US\$4 million budget allocated for SPP design and implementation. Other possible funding sources are the development partners and government funds.</i></p>			
Pillar IV 12(d): Qualification and training to conduct procurement audits	<p>23. Develop an effective training program to increase the number of trainings and trained staff to meet the demand for qualified auditors in public procurement audits.</p> <p><i>Source of funding: The possible funding sources are the development partners and government funds.</i></p>	1	Short term	PSPTB, PPRA, CAG, and IAG
Pillar IV 14(d): Anti-corruption framework and integrity training	<p>24. Develop comprehensive and mandatory integrity e-Learning training modules and require public officials to undertake such trainings on regular basis (for example, annually or every two years) and establish appropriate incentives to ensure uptake of the courses, such as designated audit and reporting and suspending access to NeST for noncompliant officials.</p>	2	Medium term	PPRA and MoF (PPPD)

## 6. Validation

Following a request from the GoT through the MoFP on April 18, 2023, for the World Bank to assist in assessing Tanzania's public procurement framework using the MAPS tools, and a subsequent World Bank decision meeting on October 31, 2023, this assessment was launched during the MAPS inception workshop on December 14, 2023, in Dar es Salaam.

This assessment was conducted jointly by PPRA and the World Bank through a Joint Assessment under the oversight of a MAPS ASC to which PPRA was the Secretariat. A stakeholders inception workshop to kick off the assessment was held on December 14, 2023, involving stakeholders from the government, private sector associations, and CSOs. This was followed by a series of four MAPS ASC meetings along with collection and analysis of sample-based data from 20 PEs, system-based data from five government institutions, and survey-based data from private sector and CSO stakeholders.

The assessment report's initial findings and recommendations were shared with the PPRA Director General and discussed during a meeting between the PPRA management team and the World Bank team that was held on April 21, 2024. PPRA endorsed the findings and recommendations. The findings and recommendations were also endorsed by the MAPS ASC during the fourth meeting held on May 21, 2024.





The endorsements by PPRA and the MAPS ASC were followed by a validation workshop involving procurement stakeholders held on May 23, 2024. The organizations represented during the validation workshop included MoF, PPRA, PPAA, CAG, GPSA, PSPTB, and the 20 PEs that were involved in the sample-based data, as well as representatives from private sector associations, academic institutions, and CSOs. The full list of all organizations represented during the workshop is included in Volume III of the report (Annexes).

During the workshop, the assessment team presented the key findings and recommendations and facilitated an engaging discussion in which feedback from the stakeholders was collected and used to improve the report. There were no major disagreements regarding the assessment report. It was agreed that stakeholders would continue submitting feedback in writing and the assessment team would continue incorporating them and finalize the report.

The final draft assessment report was subjected to internal peer-review and decision review within the World Bank, submission to the MAPS Secretariat for completion of the Assessment Technical Advisory Group (ATAG) review and obtaining consent from the GoT for publication of the assessment report. A summary of the validation and review milestones is provided in the table below:

No.	Description	Actual/Planned date	Status
1.	Concept Note cleared by World Bank management	October 31, 2023	Completed
2	MAPS assessment inception workshop	December 14, 2023	Completed
3	Concept Note reviewed and cleared by MAPS ASC	February 29, 2024	Completed
4	Concept Note reviewed and cleared by MAPS Secretariat and ATAG	April 15, 2024	Completed
5	MAPS stakeholder workshop	April 16, 2024	Completed
6	Completion of the draft assessment report for review by the ASC and stakeholders	May 16, 2024	Completed
7	Endorsement of assessment report's findings and recommendations by PPRA	May 21, 2024	Completed
8	Endorsement of assessment report's findings and recommendations by MAPS Assessment Steering Committee	May 21, 2024	Completed
9	Validation of assessment report's findings and recommendations by all stakeholders	May 23, 2024	Completed
10	Completion of revised draft assessment report after incorporating comments from all stakeholders	June 7, 2024	Completed
11	Submission of assessment report to internal peer-reviewers within in the World Bank	June 14, 2024	Planned
12	Decision review meeting within the World Bank	June 24, 2024	Planned
13	Submission of assessment report to MAPS Secretariat and completion of the ATAG review	End of July 2024	Planned
14	Submission of final assessment report to the GoT to seek their agreement for publication of the report	August 2024	Planned
15	Dissemination/Publication of the final MAPS report	August/September 2024	Planned



## 7. Summary of Changes to the PPA 2023 and Its Regulations 2024

The GoT enacted a new procurement law (the PPA, No. 10 of 2023 [PPA 2023]), which became operational on June 17, 2024, and associated regulations of 2024 which were published on June 28, 2024, after the completion of the MAPS assessment. The assessment reviewed PPA 2011 (Cap 410 R.E.2022) (PPA) and the PPRs (GN. No. 446) of 2013 (PPR) as well as changes from the PPA 2023 and its regulations which would affect the findings and recommendations from the existing legal framework. These changes are reflected in the respective assessment criteria and accordingly considered in the gap analysis.

The table below summarizes major changes in the new act and its regulations some of which are progressive, and some are regressive.

PILLAR I		Progressive changes	Regressive changes
1. The public procurement legal framework achieves the agreed principles and complies with applicable obligations.	1(a): Scope of application and coverage of the legal and regulatory framework	The new PPA 2023 recognizes the need for sustainable procurement considerations as one of the procurement objectives (Sections 5(2)(b) and 9(b) of the PPA No. 10 of 2023).	The new procurement law (PPA 2023) has introduced a major exclusion to the application of the PPA 2023 in the procurement of goods, works, non-consultancy services, and consulting services using public funds. Section 2(5) of the PPA 2023 stipulates that notwithstanding any other provision to the contrary, the provisions of the PPA 2023 shall not affect the implementation of a strategic project agreement that has been approved by the Cabinet of Ministers and vetted by the Attorney General, which establishes a specific procedure for procurement or disposal of assets.
	1(i): Contract management	<p>The new procurement law (PPA 2023) has included contract management as part of the principal legislation, under Part IV (Sections 93–104).</p> <p>The new procurement law (PPA 2023) has removed the requirement for approval by the Paymaster General and budget approving authority if the cost implication of the contract changes is less than 15% of the original contract value - Section 95(1).</p>	None



	1(j): Electronic Procurement (e-Procurement)	The new act set the mandatory requirement on the use of the electronic procurement system and stern measures have been defined in case of violation by the PEs. Previously the circulars issued by the government were used to issue instructions to the PEs on the use of electronic procurement system.	None
	1(l): Public procurement principles in specialized legislation	The new law permits issuance of special regulations to govern procurement for state-owned enterprises or as the new law refers them (translated), "commercially operating public bodies" (PPA 2023 Section 49).	None
<b>PILLAR II</b>		<b>Progressive changes</b>	<b>Regressive changes</b>
<b>5. The country has an institution in charge of the normative/regulatory function.</b>	5(b): Responsibilities of the normative/regulatory function	The Annual Public Procurement Performance Evaluation and Value for Money report to be prepared by PPRA at the end of each financial year is to be submitted to the President on or before March 30 of each year or on other date as the President may direct.	None
<b>6. Procuring entities and their mandates are clearly defined.</b>	6(a): Definition, responsibilities and formal powers of procuring entities	None	The establishment composition of the PMU in the PEs has removed the technical staff to be part of the PMU. It considers only the procurement, supplies, professionals, and administrative staff.
<b>7. Public procurement is embedded in an effective information system</b>	7(b): Use of e-Procurement	The PPA set the mandatory requirement on the use of the electronic procurement system and stern measures have been defined in case of violation by the PEs. Previously the circulars issued by the government were used to issue instructions to the PEs on the use of electronic procurement system.	None
<b>PILLAR III</b>		<b>Progressive changes</b>	<b>Regressive changes</b>
<b>9. Public procurement practices achieve stated objectives.</b>	9(a): Planning	None	None
	9(b): Selection and contracting	The new act and its regulations have set aside the specific thresholds in each procurement category for the approval by the TB and AO, intending to reduce procurement processing time and in turn increase efficiency. Regulations 64(2), 65(1), and the Ninth Schedule of the PPRs	None



		of 2024 provide that only the amount exceeding the values provided in the Ninth Schedule will be referred to the TB and the amount below the set-out threshold will be approved by the AO.	
	9(c): Contract management in practice	In the new act, the specific part for contract management (Part VII) has been introduced which was previously stated only in the procurement regulations. The responsibilities to monitor execution of the contract, manage the cost, quality, and time in procurement contracts, handle alterations/amendments of contracts, process advance payments, terminate the contract, and close contracts have been clearly defined.	None
<b>PILLAR IV</b>		<b>Progressive changes</b>	<b>Regressive changes</b>
<b>13. Procurement appeals mechanisms are effective and efficient.</b>	13(a): Process for challenges and appeals	Time for determination of complaints/appeals has been shortened from 45 to 40 days as per Section 121 (5) of PPA 2023. Thus, PPAA is required to issue its written decision within 40 days from the date of receipt of complaint/appeal.	
	13(b): Independence and capacity of the appeals body	Usage of electronic public procurement system pursuant to Section 73 (1) of PPA 2023 has led to easy accessibility of the information relating to the tender processes which speeds up the appeals and complaints determination process. The module is part of the e-tendering module under NeST and it is expected to start its operational on September, 2024.  Time for determination of complaints/appeals has been shortened from 45 to 40 days as per Section 121 (5) of PPA 2023. Thus, PPAA is required to issue its written decision within 40 days from the date of receipt of complaint/appeal.	None





## TANZANIA

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# Assessment of the Public Procurement system

### Volume II: Indicator Matrix

FEBRUARY 2025

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# Pillar I. Legal, Regulatory, and Policy Framework

Indicator 1. The public procurement legal framework achieves the agreed principles and complies with applicable obligations

## Sub-indicator 1(a) Scope of application and coverage of the legal and regulatory framework

The legal and regulatory body of norms complies with the following conditions:

### Assessment criterion 1(a)(a):

Is adequately recorded and organized hierarchically (laws, decrees, regulations, procedures), and precedence is clearly established.

Conclusion:	No gap
Red flag:	No

### Qualitative analysis

Article 64(5) of the Constitution of the United Republic of Tanzania (URT) of 1977, Cap 2 sets a clear hierarchy of laws with Cap 2<sup>1</sup> as a mother law of the land. It stipulates that in case of any contradicting law, Cap 2 shall take precedent over the law. The legal hierarchy entails that, all principal legislations (Acts of Parliament) are enacted by the national Parliament unlike the subsidiary legislations (Regulations, Rules, Guidelines) which are issued by the responsible Minister and/or Institutions.

The legal framework of Tanzania public procurement is clearly structured, distinguishing laws, regulations, and procedures and with precedence firmly established. At the highest level below the constitution is the Public Procurement Law (Public Procurement Act 2011 [Cap 410 R.E.2022]) and its Regulations (the Public Procurement Regulations, GN. No. 446 of 2013). The Act is the principal legislation while the secondary legislation comprises of regulations and other lower-level more detailed instruments such as Ministerial Orders, Guidelines and Circulars issued by the Tanzania Public Procurement Regulatory Authority (PPRA), used to regulate more detailed procedures for implementation.

**The current Public Procurement Law in Tanzania is codified under the Public Procurement Act 2011 [Cap 410 R.E.2022].** It governs public procurement in Tanzania mainland, the case in which for Zanzibar public procurement is governed by the Zanzibar Public Procurement and Disposal of Public Assets Act No. 9 of 2005. The PPA 2011 repealed and replaced the Public Procurement Act No. 21 of 2004. Among other provisions, the Act spells out the general and specific principles and standards governing public procurement in Tanzania, including emphasis on integrity, competition, accountability, economy, efficiency, transparency and achieves value for money (PPA 2011 Section 4A (2)). It also sets out the institutional framework of public procurement in the country, by establishing multiple organs responsible for policy oversight, compliance monitoring, and actual implementation of public procurement activities. It is worth noting that, by the time this assessment was undertaken, the government of Tanzania had enacted a new procurement law (the Public Procurement Act, No. 10 of 2023 (PPA 2023)), which had not yet operationalized. Eventually, the new law became operational on the 17<sup>th</sup> of June 2024 by virtue of Government Notice No. 445. The law had been published in Kiswahili language, with an official English translation expected to be issued within 90 days after the date of operationalization. The ancillary regulations for the new law were anticipated to be issued in July 2024. **Considering the recent adoption of the PPA 2023, the assessment of the Tanzania public procurement legal framework was based on the legal framework in force at the time of the assessment, however it included a review of the major changes brought by the new law.** Therefore, the assessment included the review of the Public Procurement Act 2011 [Cap 410 R.E.2022] (PPA) and the Public Procurement Regulations (GN. No. 446) of 2013 (PPR), as well as of the changes from the PPA 2023 which would impact the findings and recommendations from the existing legal framework. These changes are reflected in the respective assessment criteria and accordingly considered in the gap analysis.

**The PPA 2011 is supplemented by the Public Procurement Regulations (GN. No. 446) of 2013 (PPR)** as amended in 2016 and 2018. The PPR amendments were made through GN. No. 121 of 22<sup>nd</sup> April in 2016, GN. No. 333 of 30<sup>th</sup> November 2016, GN. No. 557 of 14<sup>th</sup> September 2018 and the GN. No. 290 of 12<sup>th</sup> April 2019. Among these amendments, the 2016 amendments were the major ones where among other things, establishment approved

<sup>1</sup> <https://www.parliament.go.tz/>

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

procurement standards (Regulation 22A), establishment approved standards for government buildings and furniture (Regulation 22B), promotion of special group (Regulation 30A), registration for special groups (Regulations 30B), exclusive preference to special groups (Regulations 30C), payments for special groups (Regulation 30D), procurement directly from manufacturers, dealers or service providers, competitive negotiations (Regulation 158) and use of incoterms in evaluation and comparison of tenders (Regulation 217).

**There are also Ministerial Circulars, Orders, and other instructions:** These include the Code of Ethics and Conduct for Public Officers and Tenderers Engaging in Public Procurement of 2021, GN. No. 804 (The Code). The Code was issued by the Ministry of Finance (MoF) and it applies to all public officers, former public officers referred under the Code, experts and tenderers involved in the public procurement (Para 2). The Code, among other things provides legal and ethical obligations to public officers and tenderers engaging in public procurement (Paragraphs 5 and 6), prohibitions of public officers (Para 28) as well as for tenders (Para 45 - 50). It also provides the requirements for compliance and monitoring of the Code (Para 51) as well as reporting mechanism, hearing and sanctions against breach of the Code (Para 52 – 54). Other Orders are also issued by Ministry of Finance's Permanent Secretary or Paymaster General from time to time. For instance, the Permanent Secretary and Paymaster General vide Circular No. 2 of 2023/24 communicated official operationalization and use of the National e-Procurement System of Tanzania (NeST)<sup>2</sup> requiring all Procuring Entities (PEs) to start using the new system effectively from 1<sup>st</sup> of July 2023 and stop using the former eGP system (TANePS) by 1<sup>st</sup> October 2023. The Circular also prohibited the PEs from initiating and managing procurement activities outside the new eGP system. The Circular required all Accounting Officers (AOs) to ensure compliance with the Circular, PPA, PPR and Procurement Guidelines (Paragraphs 7 and 8).

In addition to the ministerial-level circulars, PPRA also publishes Circulars, guidelines and Standard Tendering Documents (STDs) pursuant to Section 106 of PPA 2011, R.E. 2022. These instruments are usually published on the Authority's website<sup>3</sup> for mandatory use by all PEs and Tenderers. For instance, the Guidelines on Procurement by COVID-19 Fund of November 2021, Guidelines for Special Groups Revised October 2023, Guidelines for Community Participation in Procurement of February 2023. In line with this mandate, PPRA also develops and manages the nation-wide eGovernment Procurement System (currently NeST) and enforces its mandatory use by all PEs and Tenderers<sup>4</sup>.

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 1(a)(b):

It covers goods, works and services, including consulting services for all procurement using public funds.

**Conclusion:** Substantive gap

**Red flag:** Yes

### Qualitative analysis

Procurement is defined under Section 3 of the PPA 2011 to mean buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procuring entity and includes all functions that pertain to the obtaining

<sup>2</sup> <https://www.ppra.go.tz/>

<sup>3</sup> <https://www.ppra.go.tz/>

<sup>4</sup> <https://www.ppra.go.tz/services/taneps>

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of any goods, works or services, including description of requirements, selection and invitation of tenderers, preparation, award and management of contracts. The legal framework covers procurement for goods, works, non-consulting services, services, and disposal of public assets by tender for all procurement using public funds (PPA 2011 Section 2(1)(a)). The law defines a procuring entity as a public body and any other body or unit established and mandated by Government to carry out public functions. This includes (a) any Ministry, department, or agency of the Government; (b) anybody corporate or statutory body or authority established by the Government any company registered under the Companies Act; (c) being a company in which the Government or an agency of the Government, is in the position to influence the policy of the company; or (d) any local government authority. In addition, “public funds” is defined under the law as monetary resources appropriated to procuring entities through budgetary processes, including the Consolidated Fund, grants, loans and credits put at the disposal of the procuring entities by local or foreign donors and revenues generated by the procuring entities (Section 3 of PPA 2011).

The procurement law also applies to non-government entities, for procurement financed from specific public finances, and Public-Private Partnership (PPP) projects, in their relevant stages (PPA 2011 Section 2(1) (b&c)). There are certain limitations to the application of the public procurement law when it comes to procurements done by defense and national security organs, which are the Tanzania People’s Defense Forces, National Service, Tanzania Police Force, Tanzania Prisons Service, Immigration Services, and Tanzania Intelligence and Security Services (PPA 2011 Section 2(2) & National Security Act, 2010 Section 3). The public procurement law requires these institutions to manage their procurements and disposal of assets based on a dual list, covering items subject to open and restricted procurement methods, and agree with PPRA on annual basis regarding the category of items to be included in the restricted list and on restricted procurement methods set out in this Act or regulations (PPA 2011 Section 2 (3)&(4)).

It is worth noting that the new procurement law (PPA 2023) has introduced a major exclusion to the application of the PPA 2023 in the procurement of goods, works, non-consultancy services and consulting services using public funds. Section 2(5) of the PPA 2023 stipulates that notwithstanding any other provision to the contrary, the provisions of the PPA 2023 shall not affect the implementation of a strategic project agreement that has been approved by the Cabinet of Ministers and vetted by the Attorney General, which establishes a specific procedure for procurement or disposal of assets. The direct quotation of this section from the recently operationalized law reads as follows (in its original language, Kiswahili):

“Bila kujali masharti mengine yoyote yanayokeleza vinginevyo, masharti ya Sheria hii hayataathiri utekelezaji wa mkataba wa mradi wa kimkakati ulioridhiwa na Baraza la Mawaziri na kufanyiwa uhakiki na Mwanasheria Mkuu wa Serikali unaoweka utaratibu maalumu wa ununuzi au uondoshaji mali.” (PPA 2023 s. 2(5)).

In addition, the new law has extended its scope and covers supply management functions, such as guidelines for assets management, distribution of goods and supplies, and overall responsibility of procuring entities in managing goods, supplies or assets (PPA 2023, s. 99-104).

### Gap analysis

- The exclusion of cabinet decisions from the application of the public procurement law on matters pertaining to public contracting limits the transparency, accountability, fairness, and value for money in using public funds or in disposal of public assets, which is contrary to international standards and best practices.

### Recommendations

- The PPA 2023 should be amended to ensure the public procurement law covers goods, works and services, including consulting services for all procurements using public funds and all disposals of public assets.

### Assessment criterion 1(a)(c):

PPPs, including concessions, are regulated.

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<p><b>Qualitative analysis</b></p> <p>Public-Private Partnerships (PPPs), including concessions, are regulated through a separate legal framework, namely the Public-Private Partnership Act, Cap 103 R.E. 2018 (PPPA). The Public Procurement Act, Cap 410 provides that procurement and disposal of public assets by tender activities under the solicited and unsolicited partnership arrangements shall be managed under the Public Private Partnership Act (PPA Sections 79 and 82). However, the PPA retains the regulatory powers to PPRA, which remains responsible for regulating and enforcing compliance with the PPP Act and its regulations as well as issuing guidelines in collaboration with the Public Private Partnership Centre (PPA 2011 Section 9(1)(c)). The procedures for early stages of PPP transactions are also regulated under the PPR (Regulations 369 – 380).</p> <p>Generally, the institutional framework for implementation of PPPs and related matters are governed under PPP Act 2018, Cap 103. Section 4 of Cap 103 establishes a Public Private Partnership Center (PPP center). The PPP center is mandated to deal with promotion and coordination of all matters relating to Public Private Partnership projects. Public bodies are recognized as contracting authorities under Cap 103 and are required to submit to the PPP Center any potential PPP projects for the Center’s review and technical assistance. The PPP Center serves as a secretariat to a Public Private Partnership Steering Committee, which comprises of high-level government officials from ministry of finance and other select ministries, the Attorney General, Tanzania Investment Center, TRA, private sector stakeholders, among others (Section 7 of PPPA).</p> <p>The PPPA also provides that, in case of contradictions between provision of any written law in relation to development, procurement and implementation of public private partnerships, the provisions of Cap 103 shall prevail (Section 28A). The PPP legal framework operationalizes the Public-Private Partnership policy, provides for institutional frameworks for the implementation of public-private agreements between public sector and private sector entities. It also sets rules, guidelines and procedures governing public-private procurement, development and implementation of public private partnership and provides for other related matters.</p>
<p><b>Gap analysis</b></p> <ul style="list-style-type: none"> <li>• No gap.</li> </ul>
<p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• No recommendation.</li> </ul>
<p><b>Assessment criterion 1(a)(d):</b> Current laws, regulations and policies are published and easily accessible to the public at no cost.</p>
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<p><b>Qualitative analysis</b></p> <p>In Tanzania, all laws, regulations and policies are published through Official Government Gazette, various websites, including the Parliament of Tanzania: <a href="https://www.parliament.go.tz/">https://www.parliament.go.tz/</a>, the Judiciary of Tanzania: <a href="https://tanzlii.org/">https://tanzlii.org/</a>, the ‘Laws of Tanzania’ website: <a href="https://tanzanialaws.com/">https://tanzanialaws.com/</a>, the Office of the Attorney General: <a href="https://oagmis.agctz.go.tz/public">https://oagmis.agctz.go.tz/public</a>, and other ministries and/or responsible government institutions depending on the nature of the law, regulations and policies.</p>

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In addition to the websites where all laws of the country are published as listed above, the Public Procurement Law, Ministerial Orders and Ministerial Instructions relating to Public Procurement and Circulars are published on the Tanzania Public Procurement Authority (PPRA) website; <a href="http://www.ppra.go.tz">www.ppra.go.tz</a> which is accessible free of charge. The website provides searchable legal instruments including Public Procurement Acts, Public Procurement Regulations, Public Notices, Procurement Guidelines and Manuals.
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation.</li> </ul>
<p style="text-align: center;"><b>Sub-indicator 1(b)</b> <b>Procurement methods</b></p> <p style="text-align: center;"><b>The legal framework meets the following conditions:</b></p>
<b>Assessment criterion 1(b)(a):</b> <b>Procurement methods are established unambiguously at an appropriate hierarchical level, along with the associated conditions under which each method may be used.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>Procurement methods are established clearly under the Tanzania public procurement law and regulations. Section 64 of the PPA 2011 makes competitive tendering a default method despite permitting other methods stipulated under the Regulations. The law requires procuring entities to apply competitive tendering, using methods prescribed in the regulations depending on the type and value of the procurement. Application of less competitive methods other competitive tendering, including restricted competitive methods, single source and minor value procurement, is only permitted where it is established that such methods may have due regard for transparency, economy and efficiency in the implementation of the project, and subject to approval by a Tender Board.</p> <p>The PPR 2013 covers in detail the methods and procedures for procurement of goods, works and non-consultancy services and their conditions of use (Parts V and IX). Part V provides an extensive list of procurement methods for procurement of goods, works, and non-consulting services, while Part IX provides methods for selection and employment of consultants.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation.</li> </ul>
<b>Assessment criterion 1(b)(b):</b> <b>The procurement methods prescribed include competitive and less competitive procurement procedures and provide an appropriate range of options that ensure value for money, fairness, transparency, proportionality, and integrity.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>



## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

### Qualitative analysis

The PPA and its Regulations provide for both, competitive and less competitive methods of procurement. The competitive procurement methods include International and National Competitive as well as Competitive quotations-shopping, while the less competitive procurement procedures include restricted tendering, single source, minor and micro value procurement, use of force account procedure, and direct procurement from manufacturer, dealer, or service provider (Sec. 4A, 64, 65, 65A, 67,67A) and (Reg. 149A, 150,151,163, 165, 166 and 167).

The law requires procuring entities to apply competitive tendering, using methods prescribed in the regulations (stated above) depending on the type and value of the procurement. Application of less competitive methods other competitive tendering, including restricted competitive methods, single source and minor value procurement, is only permitted where it is established that such methods may have due regard for transparency, economy, and efficiency in the implementation of the project, and subject to approval by a Tender Board.

The choice of procurement methods is mainly determined by the estimated budget of the procurement activity. The procurement regulations provide a threshold below or above which a specific procurement method is required, as indicated in the Seventh Table of the PPR 2011 (see below):

### SEVENTH SCHEDULE

*(Made under regulations 149A, 150, 151, 163,165, 166 and 167)*

#### METHODS OF SELECTION AND LIMIT OF APPLICATION PER CONTRACT FOR GOODS, WORKS, NON-CONSULTANCY SERVICES AND DISPOSAL OF PUBLIC ASSETS

	Method of tendering	Goods	Works	Non Consultancy Services	Disposal of Public Assets
	International competitive tendering	No limit	No limit	No limit	No limit
	National competitive tendering	Up to Tshs 5,000,000,000	Up to Tshs 15,000,000,000	Up to Tshs 5,000,000,000	Up to Tshs 5,000,000,000
	Restricted tendering	No limit, but shall be justified.	No limit, but shall be justified.	No limit, but shall be justified.	No limit, but shall be justified.
	Competitive quotations (Shopping)	Up to Tshs 120,000,000	Up to Tshs 200,000,000	Up to Tshs 100,000,000	Not applicable
	Single source procurement	No limit, but shall be	No limit, but shall be	No limit, but shall be	Not applicable

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

		justified.	justified.	justified.	
	Minor value procurement	Up to Tshs 10,000,000	Up to Tshs 20,000,000	Up to Tshs 10,000,000	Not applicable
	Micro value procurement	Up to Tshs 5,000,000	Up to Tshs 10,000,000	Up to Tshs 5,000,000	Not applicable
	Force Account	Not applicable	No limit, but shall be justified	Not applicable	Not applicable
	Direct from Manufacturer, dealer or service provider procurement	No limit, but shall be justified	No limit, but shall be justified	No limit, but shall be justified	Not applicable

### Gap analysis

- No gap.

### Recommendations

- No recommendation.

### Assessment criterion 1(b)(c):

Fractioning of contracts to limit competition is prohibited.

Conclusion: No gap

Red flag: No

### Qualitative analysis

Fractioning of contracts to limit competition is prohibited by the law. Section 49(1)(c) requires procuring entities to avoid splitting of procurement to defeat the use of appropriate procurement methods unless such splitting is to enable wider participation of local consultants, suppliers or contractors in which case PPRA shall determine such an undertaking.

### Gap analysis

- No gap

### Recommendations

- None

### Assessment criterion 1(b)(d):

Appropriate standards for competitive procedures are specified.

Conclusion: No gap

Red flag: No

### Qualitative analysis

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

The PPA and PPR set the standards for competitive procedures. These include requirements for use of competitive procurement as a default method and timely and adequate notification of the procuring entity's requirements and an equal opportunity to tender for the required goods, works services or non-consultancy services (PPA 2011 s. 64(1) & 67). They also set requirements for open advertisement of procurement opportunities, standard procurement processing time, thresholds, use of standard bidding documents, etc.) for compliance by Procuring Entities (PEs) (Reg. 149, 150, 151, 158, 184).

At the heart of these competitive procedures are the general principles and standards of procurement and disposal by tender, set out by the PPA 2011 under Section 4A, including integrity, competition, accountability, economy, efficiency, transparency and achieves value for money.

### Gap analysis

- No gap.

### Recommendations

- No recommendation.

### Sub-indicator 1(c)

#### Advertising rules and time limits

The legal framework meets the following conditions:

#### Assessment criterion 1(c)(a):

The legal framework requires that procurement opportunities are publicly advertised, unless the restriction of procurement opportunities is explicitly justified (refer to indicator 1(b)).

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

The public procurement law requires that procurement opportunities are publicly advertised, unless the restriction of procurement opportunities is explicitly justified. Regulation 19 (PPR) requires PEs to advertise all tender notices for competitive procurement in the PPRA's Journal and Tender Portal along with other platforms depending on the method of procurement as specified in the First Schedule of the Regulations. It is worth noting since the launch of the Tanzania e-Government Procurement system (TANePS, and now NeST), a government Circular No. 2 of 2023/24 was issued requiring all procuring entities to process all procurement activities through the e-GP system, including advertising procurement opportunities. This is in line with Section 63 of the PPA 2011 RE 2022. Using NeST, PEs are able to prepare and publish Annual Procurement Plans and Tender Documents, advertise tenders, evaluate bids and award contracts. All PEs are required to use NeST without exception. According to a Ministerial Circular No. 2 of 2023/24 issued by the Permanent Secretary of the Ministry of Finance, no PE is permitted to manage procurement activities outside NeST, and any non-compliance constitutes a punishable offense.

### Gap analysis

- No gap

### Recommendations

- No recommendation

#### Assessment criterion 1(c)(b):

Publication of opportunities provides sufficient time, consistent with the method, nature and complexity of procurement, for potential bidders to obtain documents and respond to the advertisement. The minimum time frames for submission of bids/proposals are defined for each procurement method, and these time frames are extended when international competition is solicited.



## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<p><b>Qualitative analysis:</b></p> <p>The PPA and PPR provides sufficient time in procurement opportunities to potential bidders to obtain documents and respond to the advertisement. Section 68(3) of the PPA requires tender notices to be published in sufficient time, as prescribed in the regulations, to enable prospective tenderers to obtain tender documents and prepare and submit their responses before the deadline for receipt of tenders.</p> <p>The Eighth Schedule of the PPR (Amendment) 2016 made under Regulations 68(3), 120, 163, 187 and 286(6) sets the minimum time PEs can provide for bidders to prepare and submit bids per each procurement method for goods, works and non-consulting services, as follows:</p> <ul style="list-style-type: none"> <li>a) Large works procurement (90 days)</li> <li>b) International competitive tendering (21 days)</li> <li>c) National competitive tendering (14 days)</li> <li>d) Restricted international competitive tendering (14 days)</li> <li>e) Restricted national competitive tendering (7 days)</li> <li>f) International shopping (8 days)</li> <li>g) National shopping (4 days)</li> <li>h) Single sourcing in an emergency-twenty-four hours</li> </ul> <p>The minimum processing time for consulting services are 21 days for national competitive selection and 30 days for international competitive selection.</p>
<p><b>Gap analysis</b></p> <ul style="list-style-type: none"> <li>• No gap.</li> </ul>
<p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• No recommendation.</li> </ul>
<p><b>Assessment criterion 1(c)(c):</b></p> <p><b>Publication of open tenders is mandated in at least a newspaper of wide national circulation or on a unique Internet official site where all public procurement opportunities are posted. This should be easily accessible at no cost and should not involve other barriers (e.g. technological barriers).</b></p>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<p><b>Qualitative analysis</b></p> <p>All procuring entities in Tanzania are required to publish all procurement opportunities in the national e-Government procurement system except only when the PE does not have electronic facilities. Section 63 of the PPA states that procuring entities shall ensure that procurement or disposal by tender is implemented and reported through electronic procedures or manually where electronic facility is not available. This was emphasized the Ministry of Finance through Circular No. 2 of 2023/24 on the use of the National e- Procurement system of Tanzania (NeST, <a href="https://nest.go.tz">https://nest.go.tz</a>). Access to the procurement opportunities by the prospective bidders is free except that the bidder must register and create a profile in the system before they can view the details of the</p>

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

procurement opportunities. Bidders (both local and international) are required to pay annual registration fee and participating fee.

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 1(c)(d):

**The content published includes enough information to allow potential bidders to determine whether they are able to submit a bid and are interested in submitting one.**

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

The content of published procurement opportunities includes enough information to allow potential bidders to determine whether they are able to submit a bid if they are interested. Sections 18 and 19 of the PPA 2011 requires procuring entities to publish general procurement notice (GPN) and specific procurement notice (SPN) with sufficient details to inform the market players. While the GPN provides high level information about the entire annual procurement plan in terms of the planned procurement activities and estimated processing timelines, the specific procurement is activity-specific and provide details about the description of goods, works or services being procured, the applicable procurement method, the means of submission of bids or proposals, and the submission deadline, among others.

The law also requires procuring entities to use standard tender documents detailing sufficient information and issuing the same information to all prospective tenderers to assure equal opportunities (Section 64 PPA 2011). The standard tender documents are prepared and issued by PPRA and are to the large extended in line with international standards in terms of requirements for disclosed information in procurement notices.

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Sub-indicator 1(d)

#### Rules on participation

**The legal framework meets the following conditions:**

### Assessment criterion 1(d)(a):

**It establishes that participation of interested parties is fair and based on qualification and in accordance with rules on eligibility and exclusions**

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

The public procurement legal framework establishes that participation of interested parties is fair and based on qualification and in accordance with rules on eligibility and exclusions. Regulation 9 of the PPR, 2013 requires that participation in the invitations to tender or proposal and awarding contracts shall be open on equal terms and

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open to all persons, company or firms' nationality, except that participation can be limited on the basis of nationality in cases where the procuring entity decides, on grounds specified in the procurement Regulations or other written law.

The permissible exclusion in exception to the above rule are provided under Regulation 9(7), stipulating that a person, company or firm shall not be eligible to participate in a procurement opportunity if:

- a) such person is declared bankrupt or, in the case of company or firm, insolvent;
- b) payments in favor of the person, company or firm is suspended in accordance with the judgement of a court of law other than a judgement declaring bankruptcy and resulting, in accordance with the national laws, in the total or partial loss of the right to administer and dispose of its property;
- c) legal proceedings are instituted against such person, company or firm involving an order suspending payments and which may result, in accordance with the national laws, in a declaration of bankruptcy or in any other situation entailing the total or partial loss of the right to administer and dispose of the property;
- d) the person, company or firm is convicted, by a final judgement, of any offence involving professional conduct;
- e) the person, company or firm is found guilty of serious misrepresentation with regard to information required for participation in an invitation to tender or to submit proposals;
- f) the person, company or firm is in breach of contract with the procuring entity or other procuring entities;
- g) the person, company or firm is blacklisted in accordance with section 62 of the Act or ineligible in accordance with section 84(7) of the Act.

Furthermore, Section. 72 (1) PPA requires the basis for tender evaluation and selection of the successful tenderer to be clearly specified in the tender document. Section 72 (2) requires that tender documents shall specify factors, in addition to price, which may be taken into account in evaluating a tender and how such factors may be quantified or otherwise evaluated. These factors include qualification requirements such as general and specific experience, management and technical team composition, proposed delivery methodologies and approaches, etc.

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 1(d)(b):

**It ensures that there are no barriers to participation in the public procurement market.**

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

The public procurement legal framework establishes that participation of interested parties is fair and based on qualification and in accordance with rules on eligibility and exclusions. Regulation 9 of the PPR, 2013 requires that participation in the invitations to tender or proposal and awarding contracts shall be open on equal terms and open to all persons, company, or firms' nationality, except that participation can be limited on the basis of nationality in cases where the procuring entity decides, on grounds specified in the procurement Regulations or other written law. However, Regulation 9(3) stipulates that a procuring entity that limits participation on the basis of nationality shall include, in the record of the selection proceedings, a statement of the grounds and circumstances on which it relied in making limitation. The e-GP System also provides registration provision of the

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foreign bidders and also acquire the digital certificate ensuring the access for the participation in the procurement market.
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>• No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>• No recommendation</li> </ul>
<b>Assessment criterion 1(d)(c):</b> <b>It details the eligibility requirements and provides for exclusions for criminal or corrupt activities, and for administrative debarment under the law, subject to due process or prohibition of commercial relations.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The legal framework provides detailed mechanism for handling fraud and corruption issues. It empowers procuring entities to exclude from award of contract any firms that are determined to be engaged in fraud and corruption, and to report such misconduct to PPRA. Sec. 83(2) of the PPA provides where a procuring entity is satisfied, after due diligence, that any person or firm to which it is proposed that a tender be awarded, has engaged in fraudulent, collusive, coercive or obstructive practices in competing for the contract in question, the procuring entity shall reject the proposal and report any person or tenderer involved, including its directors, to the PPRA for debarment and blacklisting in accordance with sec. 62 of the Act. Furthermore, Sec. 62(3)(a) stipulates that a tenderer shall be debarred and blacklisted from participating in public procurement or disposal proceedings if fraud or corrupt practices is established by a court of law or the Public Procurement Appeals Authority against the tenderer in accordance with the provisions of the public procurement law. The authorities vested in PPRA to debar and blacklist tenderers who are found to engage in fraud and corrupt practices are subject to procuring entities due diligence, decisions by the Public Procurement Appeals Authority, and determination by PPRA itself based on other grounds as may be deemed necessary by the PPRA (Section 62(4) of the Act). The Debarment list is currently published on the PPRA portal, but the NeST keeps track of the debarred entities and verifies it at the time of bidder registration, renewal, bid submission, and contract awards.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>• No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>• No recommendation</li> </ul>
<b>Assessment criterion 1(d)(d):</b> <b>It establishes rules for the participation of state-owned enterprises that promote fair competition.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The public procurement law permits participation of state-owned enterprise only if they meet certain criteria. Regulation 6(5) states that a government owned enterprise may participate if the enterprise (a) is legally and financially autonomous, (b) operates under commercial law, and (c) is registered by the relevant professional</p>

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registration body or authority. Furthermore, a dependent agency of the procuring entity under a public financed project is not permitted to tender or submit a proposal for the procurement of goods or works under a project within the procuring entity other than force account units (Section 6(6) of PPA 2013).
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 1(d)(e):</b> <b>It details the procedures that can be used to determine a bidder's eligibility and ability to perform a specific contract.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis:</b> <p>The legal framework details procedures used to determine eligibility and ability to perform a specific contract. Section 53 of the PPA 2011 requires procuring entities to ensure that a selected bidder has the legal capacity, capability, and resources to carry out effectively the contract as offered in the tender before communicating a contract award decision. To enable this determination, the law requires bidders to submit qualification information based on instructions and templates provided in the bidding documents. Procuring entities can either conduct pre-qualification or post-qualification assessment as may be appropriate. The qualification criteria and respective information include qualification of the bidder/proposer for the assignment as defined in the invitation for pre-qualification or bid/proposal, such as experience, capability and history of non-performance and litigation. An affirmative determination of the tenderer meeting post-qualification is a prerequisite for award of the contract to the lowest evaluated Tenderer. A negative determination will result in rejection of the tenderer's tender, in which event the procuring will proceed to the next-lowest evaluated tenderer to make a similar determination of that tenderer's capabilities to perform contract satisfactorily.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<p style="text-align: center;"><b>Sub-indicator 1(e)</b>  <b>Procurement documentation and specifications</b>  <b>The legal framework meets the following conditions:</b></p>
<b>Assessment criterion 1(e)(a):</b> <b>It establishes the minimum content of the procurement documents and requires that content is relevant and sufficient for suppliers to respond to the requirement.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis:</b> <p>The PPA and its Regulations establish the minimum content of the procurement documents and requires that content is relevant and sufficient for suppliers to respond to the requirement. It requires that procurement</p>

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documents contain sufficient information to enable the submission of responsive tenders/bids/proposals and documents prepared in compliance with the provisions of the PPA should establish the basis for a transparent evaluation and award process. Section 70(1) of the Act requires that a procuring entity to use the appropriate standard model tender documents specified in the regulations for the procurement in question, and that the tender documents shall be worded so as to permit and encourage competition and such documents shall set forth clearly and precisely all the information necessary for a prospective tenderer to prepare tender for the goods, services and works to be provided. The information contained in the tender documents include the name of the procuring entity, description of the subject tender, reference number, instruction to the tenderers on how prepare the bids, how, where, and when to submit, and which evaluation criteria will be used to select the winning bid and award the contract. It also contains the contract terms and conditions which will govern the contractual relationship with the selected bidder; spells out the eligibility and qualification requirements and the procedures for handling procurement related complaints and disputes, among others.

PPRA has developed standard tender documents for goods, works, non-consulting services and consulting services. Although the standard tender documents were usually published by PPRA on its websites for downloading and usage by the procuring entities, the documents have now been integrated into the e-Procurement system (NeST) and are no longer published for downloading on the PPRA website. The standard tender documents for goods, works, and services (consulting and non-consulting) issued by the PPRA are now available in the system only, where NeST automatically recommends the standard tender document based on the nature of the procurement as specified in the APP. The NeST has developed an effective tool to create the SBDs into digital forms and auto generate the bidding documents.

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 1(e)(b):

**It requires the use of neutral specifications, citing international norms when possible, and provides for the use of functional specifications where appropriate.**

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

PPA and its Regulations set a requirement for the PEs to ensure use of the STDs worded in a way that permits, and encourages competition among tenderers, provides for evaluation criteria (Section 6, 8, 9, 70 and 72). Also, PPR provide the requirement for neutral qualification of tenderers and restrict the use of discriminatory criterion, requirement, procedure, etc. (Regulation 116 and 117 of the PPR).

The public procurement law also requires use of established and approved standards issued by relevant government organs (Section 65B(3) of the PPA). For example, the Act requires that the ministry responsible for information technology services shall prepare detailed and acceptable schedule of requirements, standards and specifications which shall be made available to the Authority for use by the procuring entities in the procurement of computers and other related information technology equipment and tools. Despite the requirements to use established standards, subsection 65B(3) of the PPA permit the Minister of Finance to make regulations for procurement of certain goods government use without approved standards.

### Gap analysis

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<ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 1(e)(c):</b> <b>It requires recognition of standards that are equivalent, when neutral specifications are not available.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>PPA and its Regulations require recognition of standards that are equivalent, when neutral specifications are not available. Regulation 22(3) stipulates that where no other sufficiently, precise, or intelligible way of describing the characteristics of the goods, works or services to be procured is provided, the words “or equivalent” shall be used.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 1(e)(d):</b> <b>Potential bidders are allowed to request a clarification of the procurement document, and the procuring entity is required to respond in a timely fashion and communicate the clarification to all potential bidders (in writing).</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>Potential bidders are allowed to request a clarification of the procurement document, and the procuring entity is required to respond in a timely fashion and communicate the clarification to all potential bidders (in writing). Regulation 13(1) (PPR) provides a tenderer may request a clarification of the solicitation documents from a procuring entity, provided that such request is submitted to a procuring entity at least: (a) in the case of competitive tendering methods, fourteen days prior to the deadline for the submission of the tenders; and (b) in the case of non-competitive tendering methods, three days prior to the deadline for the submission of the tenders. Any clarifications and amendments or substitutions of issued procurement documents are done by the procuring entities through NeST system.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<p style="text-align: center;"><b>Sub-indicator 1(f)</b>  <b>Evaluation and award criteria</b>  <b>The legal framework mandates that:</b></p>



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<p><b>Assessment criterion 1(f)(a):</b> The legal framework mandates that the evaluation criteria are objective, relevant to the subject matter of the contract, and precisely specified in advance in the procurement documents, so that the award decision is made solely on the basis of the criteria stipulated in the documents.</p>
<p><b>Conclusion:</b> No gap</p>
<p><b>Red flag:</b> No</p>
<p><b>Qualitative analysis</b></p> <p>The PPA and Regulations provide a mandatory requirement that, basis for tender evaluation and selection of the successful tenderer to be clearly specified in the tender document as well as approval of award of contract (Section 72, 74 and 75).</p>
<p><b>Gap analysis</b></p> <ul style="list-style-type: none"> <li>• No gap</li> </ul>
<p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• No recommendation</li> </ul>
<p><b>Assessment criterion 1(f)(b):</b> The legal framework allows the use of price and non-price attributes and/or the consideration of life cycle cost as appropriate to ensure objective and value-for-money decisions.</p>
<p><b>Conclusion:</b> Substantive gap</p>
<p><b>Red flag:</b> No</p>
<p><b>Qualitative analysis</b></p> <p>The legal framework permits inclusion of non-price attributes and life cycle cost considerations, as appropriate to ensure objective and value-for-money decisions. Section 72(2) of the PPA 2011 provides that tender documents shall specify factors, in addition to price, which may be considered in evaluating a tender and how such factors may be quantified or otherwise evaluated. However, apart from procedures for procurement of consulting services using rated criteria (scoring of technical and financial proposals) (Reg. 299-304 of the PPR 2013), there are no procedures for evaluation of non-price attributes in procurement of goods, works and non-consulting services, other than including them as qualification criteria and compliance specifications. Instead, the regulations dictate use of a price-based comparative analysis to determine the lowest evaluated cost (Reg. 203(2) of PPR 2013).</p>
<p><b>Gap analysis</b></p> <ul style="list-style-type: none"> <li>• While the legal framework permits the inclusion of non-price attributes and life cycle cost considerations, there are no procurement procedures, tools/guidelines for rated criteria evaluation methods in cases of Goods, Works and Non-Consulting Services.</li> </ul>
<p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• Develop procurement procedures, tools (eg. standard bidding documents and evaluation guidelines) for rated criteria to operationalize non-price attributes in procurement processes and capacity building on its application.</li> </ul>
<p><b>Assessment criterion 1(f)(c):</b></p>

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<b>The legal framework mandates that quality is a major consideration in evaluating proposals for consulting services, and clear procedures and methodologies for assessment of technical capacity are defined.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The PPA and PPR require use of a combination of price and non-price factors in evaluating proposals for consulting services, and clear procedures and methodologies for assessment of technical capacity are defined. The PPR provides selection methods, procedures and conditions for application which include selection based solely on technical quality, selections based on combined technical quality and price consideration; compatibility of technical proposals, least cost consideration, quality and fixed budget, and consultants' qualification selection method (Regulations 258 – 262 of the PPR).</p> <p>The quality-based selection method basically relies solely on the quality considerations, and the regulations stipulate under Regulation 259(5)(8) of the PPR, the specific conditions under which they method is applicable, which are:</p> <p>(a) complex or highly specialized assignments for which it is difficult to define precise terms of reference and the required input from the consultants, and for which the client expects the consultants to demonstrate innovation in their proposals;</p> <p>(b) assignments that have a high downstream impact and in which the objective is to have the best experts such as feasibility and structural engineering design of such major infrastructure as large dams, policy studies of national significance, management studies of large government agencies;</p> <p>(c) assignments that can be carried out in substantially different ways, such as management advice and sector and policy studies in which the value of the services depends on the quality of the analysis; and</p> <p>(d) architectural services.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 1(f)(d):</b> <b>The legal framework mandates that the way evaluation criteria are combined and their relative weight determined should be clearly defined in the procurement documents.</b>
<b>Conclusion: Minor gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The PPR provides for combined selection methods for Consulting Services as per Regulations 260 – 262. Also, the PPR clearly define the relative weight for procurement (Regulations 299(4) and Regulations 304).</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>The public procurement law does not provide for weighting and combining evaluation criteria for goods, works and non-consulting services. It provides that in case of evaluation for Consulting Services only.</li> </ul>

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<b>Recommendations</b> <ul style="list-style-type: none"> <li>Introduce Rated Criteria evaluation methods with clear guidance on how to determine the weightage of evaluation criteria for Goods, Works, and Non-Consulting Services. This will be useful in evaluating non-price attributes and life cycle cost considerations in bids. It can be done by preparing guidelines and developing NeST to allow evaluation of non-price factors using scoring system.</li> </ul>
<b>Assessment criterion 1(f)(e):</b> <b>The legal framework mandates that during the period of the evaluation, information on the examination, clarification and evaluation of bids/proposals is not disclosed to participants or to others not officially involved in the evaluation process.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The legal framework mandates that during the period of the evaluation, information on the examination, clarification and evaluation of bids/proposals is not disclosed to participants or to others not officially involved in the evaluation process. Regulation 306 (PPR) provides a mandatory requirement for confidentiality by requiring that information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposals or to other persons not officially concerned with the process, until the notice of intention to award of contract is communicated to the consultants.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<p style="text-align: center;"><b>Sub-indicator 1(g)</b>  <b>Submission, receipt, and opening of tenders</b>  <b>The legal framework provides for the following provisions:</b></p>
<b>Assessment criterion 1(g)(a):</b> <b>Opening of tenders in a defined and regulated proceeding, immediately following the closing date for bid submission.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The opening of tenders is well regulated by PPA and its Regulations. Tenders submitted before deadline are received and opened. The secretary to the tender board is mandated by PPA to receive and any tender received after the deadline is returned unopened as per Section 73(2) and (3). This process is well captured in the current NeST system. The requirement is opening of tenders immediately after closing time as per Section 73(3) of the PPA. The law further requires the tender opening to be conducted in public, in the presence of the tenderers or their representatives and other parties with a legitimate interest in the tender proceedings. Section 73(3) of the PPA.</p>
<b>Gap analysis</b>

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<ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 1(g)(b):</b> <b>Records of proceedings for bid openings are retained and available for review.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>Section 38 of the PPA stipulates the responsibilities of Head or PMU (the secretary to the tender board) to maintain and archive records of the procurement and disposal process. The contents of records, accessing records, duration of storage and manner of disclosure is provided under the regulations made under the PPA (Regulation 15 of the PPR). Records of tender opening are made available to the public and can be accessed by any interested party. In the NeST system, tenderers who have submitted tenders receive details of the tender opening directly from the system. Electronic bids are opened online automatically at the bid opening time specified in the document, and the opening report is published on the NeST and accessible to all parties.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 1(g)(c):</b> <b>Security and confidentiality of bids is maintained prior to bid opening and until after the award of contracts.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>Received tenders and their records are required by law to be kept securely by responsible person. PPA gives responsibility to the Secretary of the Tender Board (TB) of holding securely envelopes or packages containing any tenders (Regulation 195 of the PPR). With the use of NeST, the tenders are signed digitally by the tenderer and encrypted not to be opened until the opening date (Reg. 351 of the PPR). Securities are kept in the custodian of the Secretary of the Tender Board.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 1(g)(d):</b> <b>The disclosure of specific sensitive information is prohibited, as regulated in the legal framework.</b>
<b>Conclusion: No gap</b>

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<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>Regulation 376 (2) of the PPR prohibits procuring entities from disclosing bidders' proprietary information in cases of selection of partners for PPP projects. This principle applies equally to other procurement transactions. Under the Anti-Bribery Policy/Code of Conduct and a Compliance Program (made under Regulation 78(2)), the law provides assurance to the bidders, that no proprietary information concerning a tenderer may be disclosed to another tenderer or to the public. In addition, Section 46 of the PPA provides on the confidentiality of information that "any person having an official duty or being employed in the administration of PPA or engaged as a consultant to the procuring entity is required to treat and deal with all documents and information relating to the tender as confidential except where the PPA provides otherwise at certain stages of tender. Also, information relating to the examination, tabulation, clarification, evaluation and comparison of tenders and recommendations concerning the intention to award of the contract are not required to be disclosed or communicated to tenderers or any person or persons not officially concerned with such process, before the announcement of the award of contract to the successful tenderer as per Regulation 200(2) of the PPR.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 1(g)(e):</b> <b>The modality of submitting tenders and receipt by the government is well defined, to avoid unnecessary rejection of tenders.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>Regulation 351 of the PPR provides clearly on the modality of tender submission and receipt. Under manual and electronic system, tenders are required to be submitted before the deadline for submission and any tender received before submission deadline shall be considered for evaluation (Regulations 195 and 351). Under electronic system, the tenderer is given responsibility to ensure the integrity, completeness, and authenticity of their submission; and in case of electronic records entered online and files containing the tender being unreadable for any reason, the tender submitted is not considered for further processing.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<p style="text-align: center;"><b>Sub-indicator 1(h)</b>  <b>Right to challenge and appeal</b>  <b>The legal framework provides for the following:</b></p>
<b>Assessment criterion 1(h)(a):</b> <p>Participants in procurement proceedings have the right to challenge decisions or actions taken by the procuring entity.</p>

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<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The PPA, its Regulations and tendering documents provide rights to bidders to challenge decisions made by the accounting officer regarding any tender (Section 96 of the PPA). Tenderers are given right to submit complaints to the accounting officer at the PE level, and when not satisfied with decisions, they have the right to appeal to the Public Procurement Appeals Authority if aggrieved by the decision of the accounting officer, or the High Court of Tanzania Appeals Authority (PPA, Sections. 99 – 101, and Regulations 104 – 107 of PPR).</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 1(h)(b):</b> <b>Provisions make it possible to respond to a challenge with administrative review by another body, independent of the procuring entity that has the authority to suspend the award decision and grant remedies, and also establish the right for judicial review.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The PPA Cap. 410 R.E. 2022 and PPR provide rights to tenderers to challenge decisions made by the accounting officer regarding any tender (Section 96 and Regulations 104 - 106). Tenderers are given right to submit complaints and when not satisfied with decisions, may appeal to PPAA (Section 99-101 and Regulation 111). In the case of administrative review by accounting officer, the law requires him to make sure that all complaints are dealt with accordingly before proceeding with the award. In the case of appeals, the accounting officer is required to suspend the process until the appeal is concluded. However, the suspension made in the case of appeal to the PPAA do not apply where the procuring entity certifies to PPRA that, urgent public interest considerations require the procurement to proceed. Certification of PPRA is conclusive with respect to all levels of review save for the judicial review (Section. 100). In addition, Section 97(5) and 101(1) of the PPA Cap 410 allows the Appeals Authority to suspend an award decision, grant remedies and establish rights for judicial review.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 1(h)(c):</b> <b>Rules establish the matters that are subject to review.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>

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### Qualitative analysis

Section 99-101 of the PPA and Regulations 104-107 of the PPR establish rules to be considered when dealing with matters for review. Section 99(1) of the PPA requires that the decisions of the accounting officer and the Authority or the Appeals Authority on a bidder's complaint shall be furnished within seven working days after the delivery of the decision to the tenderer who submitted the complaint or dispute to the procuring entity and to any other tenderer or government authority who participated in the review proceedings and after the decision has been delivered, and that such decision shall be made available for inspection by the general public, provided no information shall be disclosed if its disclosure: (a) is contrary to law; (b) impedes law enforcement; and (c) is not in the public interest.

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 1(h)(d):

**Rules establish time frames for the submission of challenges and appeals and for issuance of decisions by the institution in charge of the review and the independent appeals body.**

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

Regulations 105(1) and 107(1) of PPR provide for the timeline under which the tenderer is required to submit its complaints which provides seven (7) working days of the tenderer becoming or should have become aware of the circumstances giving rise to the complaint or dispute. The accounting officer is required to issue a decision of the complaint in writing within 7 days (Section 96(6) of the PPA). The Appeals Authority is required to issue decision within 45 days (Section 97(6) of PPA Cap 410).

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 1(h)(e):

**Applications for appeal and decisions are published in easily accessible places and within specified time frames, in line with legislation protecting sensitive information.**

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

All appeal decisions by PPAA are published in the PPAA websites (<https://www.ppaa.go.tz/en/>) and are easily accessible by the public. The publication is made in observance of strict legislations for protecting sensitive information. Information that, form competitive positions of tenderers are not disclosed.



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<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation.</li> </ul>
<b>Assessment criterion 1(h)(f):</b> <b>Decisions by the independent appeals body can be subject to higher-level review (judicial review).</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>Sections 96, 97 and 101 of the PPA provide for three levels of reviews, namely: the procuring entity level (Accounting Officer decision), appeals level (PPAA decision) and Judicial review. Section 101 of the PPA provides a room within specific time under which the decision of an independent appeal body (PPAA) can be subject to higher-level review through judicial review of the High Court. The application for judicial review by the aggrieved bidder must be done within 14 days from the date of delivery of the PPAA's decision. (Section 101(1) of the PPA).</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<p style="text-align: center;"><b>Sub-indicator 1(i)</b>  <b>Contract management</b>  <b>The legal framework provides for the following:</b></p>
<b>Assessment criterion 1(i)(a):</b> <b>Functions for undertaking contract management are defined and responsibilities are clearly assigned.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The functions for undertaking contract management are clearly defined and responsibilities are clearly stated under the PPR. The PPR and STDs stipulate the responsibilities of buyer and seller as well as any subcontractors and other parties to the contract (Regulations 242 - 252). Although the PPA 2011 did not have any dedicated provisions for contract management, the Regulations (PPR 2013), the same were included through its Regulations (PPR 2013). However, the new procurement law (PPA 2023) has included contract management as part of the principal legislation, under Part IV (Sections 93 – 104). Contract Management is under development in the NeST system.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation.</li> </ul>

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<b>Assessment criterion 1(i)(b):</b> <b>Conditions for contract amendments are defined, ensure economy and do not arbitrarily limit competition.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>Section 33 of PPA provides for responsibilities of Tender Board to approve amendments to ongoing contracts. Regulation 110 provides that once signed, the contract shall not be altered, except when an alteration is necessary for the benefit of the procuring entity or when an alteration does not prejudice the procuring entity, and that the proposed variations such as additions or deductions which are not incidental to or arising out of the contract, and which alter the scope, extent or intention of the contract shall, in every case, be referred to the appropriate tender board for approval before instructions are issued to the tenderer. (Regulation 110(1)&amp;(3)). The last also prohibits procuring entities from authorizing additions beyond the scope of the contract without having obtained prior written approval from the Paymaster General or appropriate budgetary approving authority for additional financial authority to meet the cost of such work. (Regulation 110(4)).</p> <p>Regulation 110(4&amp;5) prohibits a procuring entity from authorizing any additions beyond the scope of the contract without having obtained prior written approval from the Paymaster General or appropriate budgetary approving authority and Tender Board. The new procurement law (PPA 2023) has removed the requirement for approval by Paymaster General and budget approving authority if the cost implication of the contract changes is less than 15% of the original contract value (PPA 2023 Section 95(1)).</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>• No gap.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>• No recommendation.</li> </ul>
<b>Assessment criterion 1(i)(c):</b> <b>There are efficient and fair processes to resolve disputes promptly during the performance of the contract.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The legal framework provides an efficient and fair processes for resolving disputes promptly during the performance of the contract. The dispute resolution procedures are provided for under Regulations 247(2) and 243(4) of the PPR. Where an agreement to remedy the irregularities in the performance of a service provider or contractor cannot be reached, the procuring entity is required to notify the service provider or contractor of the breach of the terms of the contract, and may, in addition, invoke the procedure for instituting disputes prescribed in the contract (Regulation. 243(4)). Standard Tendering Documents have provisions for the Alternative Dispute Resolution – amicable settlement, adjudication, arbitration and dispute avoid and adjudication board.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>• No gap</li> </ul>
<b>Recommendations</b>

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<ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 1(i)(d):</b> <b>The final outcome of a dispute resolution process is enforceable.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The final outcomes of dispute resolution are enforceable. The contract conditions under as built into the standard bidding documents provides clear contractual dispute resolution mechanisms which have contractual force and therefore enforceable before the courts of law. The contracts provide for amicable resolution as the simplest method and litigation as the highest and undesirable means.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<p style="text-align: center;"><b>Sub-indicator 1(j)</b>  <b>Electronic Procurement (e-Procurement)</b>  <b>The legal framework provides for the following:</b></p>
<b>Assessment criterion 1(j)(a):</b> <b>The legal framework allows or mandates e-Procurement solutions covering the public procurement cycle, whether entirely or partially.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The legal framework allows or mandates e-Procurement solutions covering the public procurement life cycle (Regulations 340-367). The NeST is aligned with the Public Procurement Act. Cap 410 R. E. 2022, Public Procurement Regulations GN 446 of 2013 and its amendments, PPRA Circulars, PPRA issued Procurement Guidelines, and PPRA issued Standard Solicitation Documents and a few new functions and processes of the new public procurement act that is being prepared for the enactment. The system covers end-to-end processes of the procurement cycle, including Procurement planning, advertisement preparation, e-Bidding, Evaluation, Contract Awards, Suppliers Registration, contract management, and reports. Complaint handling, e-Catalog, and auctions will be available in the second implementation phase.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 1(j)(b):</b>

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<b>The legal framework ensures the use of tools and standards that provide unrestricted and full access to the system, taking into consideration privacy, security of data and authentication.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The legal framework ensures the use of tools and standards that provide the acceptable access to the system taking into consideration privacy, security of data and authentication. Reg. 342(1) states that the e-PPs shall be implemented by all procuring entities in full or partially in parallel with the conventional manual procedures. The legal framework covers among other things, system's key terms interpretation (Regulation 349), objectives and usage (Regulation 341), Scope and application (Regulation 342), access to systems features (Regulation 344), users' registration (Regulation 345), use by evaluation committee (Regulation 354) and access to e-auction process (Regulation 362).</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation.</li> </ul>
<b>Assessment criterion 1(j)(c):</b>
<b>The legal framework requires that interested parties be informed which parts of the processes will be managed electronically.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>Section 63 of the PPA clearly provides a mandatory requirement for PEs to ensure that, procurement is implemented and reported through electronic proceedings or manually where electronic facility is not available. However, Section 73 of the new procurement law (PPA, No. 10 of 2023) removes the option for using manual procurement but rather creates a mandatory for all PEs to procure through the electronic system and in case of any challenges PPRA must issue a guidance Notice to users.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation.</li> </ul>
<p align="center"><b>Sub-indicator 1(k)</b>  <b>Norms for safekeeping of records, documents, and electronic data</b>  <b>The legal framework provides for the following:</b></p>
<b>Assessment criterion 1(k)(a):</b> <b>A comprehensive list is established of the procurement records and documents related to transactions including contract management. This should be kept at the operational level. It should outline what is available for public inspection including conditions for access.</b>

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<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The PPA provides a mandatory requirement for PEs to maintain a record of its procurement proceedings in which it is involved for not less than 5 years (Section 61 of the PPA). Also, the PPR provides a requirement for record keeping with regards to procurement or disposal proceedings and tender opening (Reg. 15, 199 and 339 of the PPR). Procurement records subject to this retention requirement include the bidding documents issued by the procuring entity, the bids or proposals submitted by bidders/proposers, and evaluation reports.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>• No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>• No recommendation</li> </ul>
<b>Assessment criterion 1(k)(b):</b> <b>There is a document retention policy that is both compatible with the statute of limitations in the country for investigating and prosecuting cases of fraud and corruption and compatible with the audit cycles.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>PPA and its Regulations is read with other relevant laws (Section 18 (2)). Thus, PPA provides powers to PPRA to require or collect relevant documents PEs in the exercise of its regulatory powers (Section 18). The PPA provides a mandatory requirement for PEs to maintain a record of its procurement proceedings in which it is involved for not less than 5 years (Section 61). Also, the PPR provides a requirement for record keeping with regards to procurement or disposal proceedings and tender opening (Regulations 15, 199 and 339).</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>• No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>• No recommendation</li> </ul>
<b>Assessment criterion 1(k)(c):</b> <b>There are established security protocols to protect records (physical and/or electronic).</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>Security protocols to protect records are established through the physical and or electronic means. This is through PEs open and confidential files as well as PEs account in the NeST of which it contains security features for safeguards (Section 63). Regulation 340 of the PPR defines “electronic document” and its means of transmission</p>

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through the electronic Public Procurement Systems (e-PPs), also Regulations 344 and 345 provides access to e-PPs features and well as registration of users of e-PPs.

### Gap analysis

- No gap.

### Recommendations

- No recommendation.

### Sub-indicator 1(l)

#### Public procurement principles in specialized legislation

The legal and regulatory body of norms complies with the following conditions:

#### Assessment criterion 1(l)(a):

**Public procurement principles and/or the legal framework apply in any specialized legislation that governs procurement by entities operating in specific sectors, as appropriate.**

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

PPA provides general principles and standards of procurement and disposal by tender putting emphasize on the need to conduct procurement in a manner that maximizes integrity, competition, accountability, economy, efficiency, transparency and achieve value for money (Section 4A). These principles apply to all procuring entities, including public bodies and non-government entities for procurement financed from specific public finances; as well as public-private partnership projects, in their relevant stages. (Section 2 of the PPA 2011). In addition, the Act provides some limited exceptions to national security organs, on which the Act permits use of a dual list system for restricted and non-restricted items in the case of national security organs (PPA 2011 s. 2(2)); and permits issuance of special regulations to govern procurement for State-Owned Enterprises, or as the new law refers them (translated), “commercially operating public bodies” (PPA 2023, s. 49).

### Gap analysis

- No gap.

### Recommendations

- No recommendation

#### Assessment criterion 1(l)(b):

**Public procurement principles and/or laws apply to the selection and contracting of public private partnerships (PPP), including concessions as appropriate.**

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

The general principles and standards of procurement apply to the selection and contracting of PPP including concession as the PPA contains as dedicated part for PPP matters with regards to scope applicability and approval as well as selection of transaction advisor or manager (Section 79 -82). Thus, in implementing PPPs the PEs should

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comply with the principles and conduct their procurement in a manner that maximizes integrity, competition, accountability, economy, efficiency, transparency and achieve value for money (Section 4A).

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 1(l)(c):

**Responsibilities for developing policies and supporting the implementation of PPPs, including concessions, are clearly assigned.**

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

Section 7A and 7B of the PPP Act, Cap 103 - The responsibility to develop policies and supporting implementation of PPPs is clearly assigned. One of the PPP Steering Committee's functions is to review of policy, legislation, plans, and strategies pertaining to the promotion, facilitation, and development of public private partnership and to advise the Minister responsible for public private partnership. The PPP center is an autonomous public body mandated to deal with promotion and coordination of all matters relating to Public Private Partnership projects. Public bodies are recognized as contracting authorities under Cap 103 and are required to submit to the PPP Center any potential PPP projects for the Center's review and technical assistance. The PPP Center serves as a secretariat to a Public Private Partnership Steering Committee, which comprises of high-level government officials from ministry of finance and other select ministries, the Attorney General, Tanzania Investment Center, TRA, private sector stakeholders, among others (Section 7 of PPPA).

### Gap analysis

- No gap

### Recommendations

- No recommendation

## Indicator 2. Implementing regulations and tools support the legal framework

### Sub-indicator 2(a)

#### Implementing regulations to define processes and procedures

### Assessment criterion 2(a)(a):

There are regulations that supplement and detail the provisions of the procurement law, and do not contradict the law.

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

The PPA, Cap 410 provides a room for the Minister responsible with finance to prepare Regulations (Section 105). Thus, the PPR, GN. No. 446 of 2013 as amended were prepared by virtue of Section 105 of the PPA.



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<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 2(a)(b):</b> The regulations are clear, comprehensive and consolidated as a set of regulations readily available in a single accessible place.
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b> The public procurement regulations as outlined in the PPR, GN. No. 446 of 2013 are clear and comprehensive. However, the PPR has undergone multiple amendments, through GN. No. 121 in 2016; GN. No. 557 of 2018 and GN. No. 290 of 2019. Following enactment of the new PPA No. 10 of 2023, a new set of regulations (PPR 2024) has been drafted and is pending operationalization on the date to be published in the Government Gazette by the Ministry for Finance.
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation.</li> </ul>
<b>Assessment criterion 2(a)(c):</b> Responsibility for maintenance of the regulations is clearly established, and the regulations are updated regularly
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b> The responsibility for maintenance of the regulations is clearly established under the PPRA, and the regulations are updated regularly as need arises. For instance, since when the PPR was prepared in 2013 has been amended four times (through GN. No. 121 in 2016; GN. No. 333 of 2016; GN. No. 557 of 2018 and GN. No. 290 of 2019) so as to cater for the economic changes and the diversities in public procurement.
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation.</li> </ul>
<b>Sub-indicator 2(b)</b> <b>Model procurement documents for goods, works and services</b>
<b>Assessment criterion 2(b)(a):</b> There are model procurement documents provided for use for a wide range of goods, works and services, including consulting services procured by public entities.

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<b>Conclusion: Minor gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>Section 71 and 78(3) mandate procuring entities to use model procurement documents. The PPA and the PPR provides a requirement for preparation and review of model Standard Tender Documents (STDs) for use in various public procurement (Section 9 (1)(d) and (e) of the PPA). The STDs are made available through NeST to all users. However, the set of STDs integrated under NeST does not cover specialized procurement methods such as leasing and renting services, multi-stage bidding and competitive dialogue, although these methods are permitted under the procurement law and regulations.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>Although the legal framework provides the model procurement documents, there are no model standard documents for leasing and renting services, multi-stage bidding and their application guidelines. This leads to lack of standardization of processes in procurement of such services.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>PPRA should develop standard model documents and application guidelines for leasing and renting services and multi-stage bidding.</li> </ul>
<b>Assessment criterion 2(b)(b):</b> <p>At a minimum, there is a standard and mandatory set of clauses or templates that reflect the legal framework. These clauses can be used in documents prepared for competitive tendering/bidding.</p>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>PPA and its Regulations have standard and mandatory set of clauses and the same have been incorporated in the tendering documents prepared by PPRA. Mainly, the contents of the STDs include the Instruction to Tenderers (ITT), Bid Data Sheet (BDS), General Conditions of Contracts (GCC) and Special Conditions of Contracts (SCC). The GCC are standard general clauses that, remain unchanged except for some clauses of which require to be changed in order to meet with the requirement of the particular Contract, thus such changes can only be done through the SCC. So generally, the SCC supplement the GCC and the SCC supersedes the GCC in cases of conflict between the two.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 2(b)(c):</b> <p>The documents are kept up to date, with responsibility for preparation and updating clearly assigned.</p>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>

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<b>Qualitative analysis</b> <p>The PPA and the PPR provides a requirement for preparation and review of model STDs for use in various public procurement Section 9 (1)(d) and (e) of the PPA as one of the PPRA's function. The STDs are made available through NeST to all users. <b>Section 70 (1) provides that the procuring entity shall use the appropriate standard model tender documents specified in the Regulations for the procurement in question.</b></p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<p style="text-align: center;"><b>Sub-indicator 2(c)</b> <b>Standard contract conditions used</b></p>
<b>Assessment criterion 2(c)(a):</b> <p>There are standard contract conditions for the most common types of contracts, and their use is mandatory.</p>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>STDs prepared under Sec. 9 (1) (c) &amp; (d) of the PPA contains standard contract conditions. There are contract conditions for each procurement category (Goods, Works, Non-Consulting and Consulting Services). The use of these contract terms is mandatory. Under the PPA and its Regulations, one of the functions of the PPRA is to enforce use of the STDs and the standard contract conditions by procuring entities (Sec. 9 (1) (e) of the PPA 2011).</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 2(c)(b):</b> <p>The content of the standard contract conditions is generally consistent with internationally accepted practice.</p>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>The content of the standard contract conditions is generally consistent with internationally accepted practice. The standard contract conditions contain all necessary provisions in line with internationally accepted practice, such as clear rights and obligations for both parties, clear dispute handling mechanism and applicable laws.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>

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<b>Assessment criterion 2(c)(c):</b> Standard contract conditions are an integral part of the procurement documents and made available to participants in procurement proceedings.
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>STDs prepared under Sec. 9 (1) (d) of the PPA contains a standard contract condition which are the General Conditions of Contracts (GCC) and the Special Conditions of Contracts (SCC). The GCC are standard general clauses that, remain unchanged except for some clauses of which require to be changed in order to meet with the requirement of the particular Contract, thus such changes can only be done through the SCC. So generally, the SCC supplement the GCC and the SCC supersedes the GCC in cases of conflict between the two. All STDs are prepared to cater for common procurement as stipulated under the PPA and its Regulations and one of the functions of the PPRA is to ensure use of the STDs in procurement as per Sec. 9 (1) (e) of the PPA. All STDs are made available for use through NeST (Section 63).</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<p style="text-align: center;"><b>Sub-indicator 2(d)</b>  <b>User's guide or manual for procuring entities</b></p>
<b>Assessment criterion 2(d)(a):</b> There is a comprehensive procurement manual(s) detailing all procedures for the correct implementation of procurement regulations and laws.
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>Sec. 106 of PPA, Cap 410 provides mandates to the PPRA to issue various Guidelines on the better implementation of the Act and its Regulations. Thus, PPRA prepares a number of Guidelines, circulars and standard bidding documents. This can be accessed through the PPRA website through <a href="http://www.ppra.go.tz">www.ppra.go.tz</a> and NeST through <a href="http://www.nest.go.tz">www.nest.go.tz</a>. In Tanzania, the procurement guidelines and circulars issued by the PPRA serve the purpose of procurement manual.</p>
<b>Gap analysis</b> No gap.
<b>Recommendations</b> No recommendation.
<b>Assessment criterion 2(d)(b):</b> Responsibility for maintenance of the manual is clearly established, and the manual is updated regularly.
<b>Conclusion: No gap</b>

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<b>Red flag:</b> No
<b>Qualitative analysis</b> <p>Sec. 106 of PPA, Cap 410 provides mandates to the PPRA to issue various Guidelines on the better implementation of the Act and its Regulations. All Guideline a properly maintained and updated regularly by PPRA. These can be accessed through the PPRA website through <a href="http://www.ppra.go.tz">www.ppra.go.tz</a> and NeST through <a href="http://www.nest.go.tz">www.nest.go.tz</a>. More details provided under assessment criteria 2(d)(a) above.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation.</li> </ul>

Indicator 3. The legal and policy frameworks support the sustainable development of the country and the implementation of international obligations

Sub-indicator 3(a) Sustainable Public Procurement (SPP)
<b>Assessment criterion 3(a)(a):</b> The country has a policy/strategy in place to implement SPP in support of broader national policy objectives
<b>Conclusion:</b> Substantive gap
<b>Red flag:</b> Yes
<b>Qualitative analysis</b> <p>Currently, there is no policy in place to implement SPP in support of broader national policy objectives. However, the new PPA 2023 recognizes the need for sustainable procurement considerations as one of the procurement objectives (Sections 5(2)(b) and 9(b) of the PPA No. 10 of 2023).</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>While there is recognition of SPP in the public procurement legal framework, the absence of a fully developed and implemented SPP policy and implementation tools hinders the operationalization of sustainable public procurement.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>Develop strategy, tools and amendments to existing procurement laws and regulations to ensure full integration of SPP procedures with a specific emphasis to Green Procurement to achieve net zero.</li> <li>Implement targeted awareness and capacity-building programs for all procurement officials and relevant stakeholders on SPP principles, procedures, benefits, and practices.</li> </ul>
<b>Assessment criterion 3(a)(b):</b> The SPP implementation plan is based on an in-depth assessment; systems and tools are in place to operationalize, facilitate and monitor the application of SPP.
<b>Conclusion:</b> Substantive gap
<b>Red flag:</b> No

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### Qualitative analysis

There are no systems and tools in place to operationalize, facilitate and monitor the application of SPP. In addition, there is no mechanism to track the contribution of government vehicles in greenhouse gases and mitigation measures to achieve net zero.

### Gap analysis

- The current absence of specific systems and tools designed to operationalize, facilitate, and monitor SPP inhibits the effective integration and application of sustainable practices within public procurement processes.

### Recommendations

- Develop SPP implementation tools, including but not limited to SPP strategy, guidelines, bidding documents, guidance note on green procurement.
- Create SPP window in NeST to enable compliance monitoring, data tracking and implementation performance measurement.
- Build capacity to the Government Procurement Services Agency (GPSA) to enable measuring the carbon emission for government fuel stations and putting in place appropriate measures to achieve net zero.

### Assessment criterion 3(a)(c):

The legal and regulatory frameworks allow for sustainability (i.e. economic, environmental and social criteria) to be incorporated at all stages of the procurement cycle.

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

The legal framework allows consideration of sustainability criteria although it does not have the necessary operationalization tools. Section 4A (2) of Cap 410 indicates that, compliance to economy, is one of the general principles and standards of procurement and disposal by tender. Regulatory 327 of the PPR, GN.No.446 makes it a mandatory requirement that, a disposing entity must pay due regard to repair and re-use of goods whenever practicable and economically viable before disposing them by tender and procuring new replacement. The procurement regulatory framework also incorporates some aspects of social sustainability, such as promotion of special group (Regulation 30A), registration for special groups (Regulations30B), exclusive preference to special groups (Regulations 30C), payments for special groups (Regulation 30D), procurement directly from manufacturers, dealers or service providers, competitive negotiations (Regulation 158) and use of incoterms in evaluation and comparison of tenders (Regulation 217). In addition, Sec. 6 of Environmental Management Act, 2004 (EMA) requires every person living in Tanzania to safeguard and enhance the environment and to inform the relevant authority of any activity and phenomenon that may affect the environment significantly.

### Gap analysis

- While sustainable procurement is permitted under the legal framework, the absence of operationalization tools hinders the implementation of sustainable public procurement.

### Recommendations

- Develop sustainable public procurement implementation tools, including but not limited to SPP strategy, guidelines, bidding documents, and monitoring and evaluation framework.

### Assessment criterion 3(a)(d):

The legal provisions require a well-balanced application of sustainability criteria to ensure value for money.

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<b>Conclusion:</b> Substantive gap
<b>Red flag:</b> No
<b>Qualitative analysis</b> <p>There are no legal provisions requiring a well-balanced application of sustainability criteria to ensure value for money.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>The current public procurement law does not have a well-balanced application of sustainability criteria to ensure value for money.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>Develop sustainable public procurement implementation tools, including but not limited to SPP strategy, guidelines, bidding documents, and monitoring and evaluation framework.</li> <li>Institute proactive measures to ensure women empowerment in public procurement, including developing targeted outreach programs and maintaining e-learning programs.</li> </ul>
<p style="text-align: center;"><b>Sub-indicator 3(b)</b>  <b>Obligations deriving from international agreements</b>  <b>Public procurement-related obligations deriving from binding international agreements are:</b></p>
<b>Assessment criterion 3(b)(a):</b> Clearly established
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b> <p>Public procurement-related obligations deriving from binding international agreements are clearly established under Sec. 4 of PPA, Cap 410, which states that “To the extent that this Act conflicts with an obligation of the United Republic under or arising out of: (a) any treaty or other form of agreement to which the Government is a party with one or more other states or political sub-divisions of such states; or (b) any grant agreement entered into by the Government with an inter-governmental or international financing institution in which the Government is the beneficiary, the requirement of such treaty or agreement shall prevail, but in all other respects, the procurement shall be governed by this Act.”</p> <p>Tanzania is a member to the Southern African Development Community (SADC), a Regional Economic Community comprising 15 Member States. Established in 1992, SADC is committed to Regional Integration and poverty eradication within Southern Africa through economic development and ensuring peace and security. In addition, SADC is guided by Protocol on Trade that demands Members to implement measures within the Community that prohibit unfair business practices and promote competition. Tanzania’s public procurement law complies with the principles advocated by SADC and other regional and international development associations, such as transparency and fairness in access to procurement business opportunities across countries.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation.</li> </ul>

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<b>Assessment criterion 3(b)(b):</b> Consistently adopted in laws and regulations and reflected in procurement policies.
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b>  Public procurement-related obligations deriving from binding international agreements are reflected through Section 4 of PPA, Cap 410 and implemented through binding international agreements, such as specific project financing agreements.
<b>Gap analysis</b> <ul style="list-style-type: none"><li>• No gap.</li></ul>
<b>Recommendations</b> <ul style="list-style-type: none"><li>• No recommendation.</li></ul>

## Pillar II. Institutional Framework and Management Capacity

Indicator 4. The public procurement system is mainstreamed and well-integrated into the public financial management system.

<b>Sub-indicator 4(a)</b> <b>Procurement planning and the budget cycle</b> The legal and regulatory framework, financial procedures and systems provide for the following:
<b>Assessment criterion 4(a)(a):</b> Annual or multi-annual procurement plans are prepared, to facilitate the budget planning and formulation process and to contribute to multi-year planning.
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b>  Section 49 of the PPA Cap. 410 requires the procuring entity to prepare its annual procurement plan aiming at avoiding emergency procurement whenever possible, aggregating the requirements wherever possible, both within the procuring entity and between procuring entities to obtain value for money and reduce procurement costs. Also, the procurement plan will avoid splitting of procurement to defeat the use of appropriate procurement methods and integrate its procurement budget with its expenditure program. Further, Section 39(2) of PPA Cap. 410 requires the user department to prepare a schedule of requirements for procurement as part of the budget process, which shall be submitted to the Procurement Management Unit for compilation of annual procurement plan. Subject to the completion of the process for preparing the APP, the approval should be sought from the Budgetary Approving Authority pursuant to Section 49(2) of PPA Cap. 410. Further, Section 49(2) of PPA cap. 410 provides that, in case there is any unplanned procurement, it should obtain prior approval of the Accounting Officer.



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The procurement plans are prepared annually and linked with the annual budget for the specific financial year. The procurement plans also included investment/capital projects which the implementation is beyond one year. If the procurement process becomes successful, it is not reflected in the following financial year and instead the budget for its implementation is reflected in the remaining financial years until the projects are completed. Regulation 75(3) provides that, where the contract extends over several years, an allocation of funds may be issued annually so that the total amount issued does not exceed the contract price plus a percentage for price and physical contingencies, unless specific approvals are obtained for additional work and cost price increase.

Currently, the process for preparation and publication of the Annual Procurement Plan is done through the National e-Procurement System of Tanzania (NeST).

### Gap analysis

- None

### Recommendations

- None

### Assessment criterion 4(a)(b):

Budget funds are committed or appropriated in a timely manner and cover the full amount of the contract (or at least the amount necessary to cover the portion of the contract performed within the budget period).

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

Regulation 75 of the Public Procurement Regulations 2013 (as amended) requires the procuring entities to ensure that funds are allocated or committed before commencing procurement proceedings. Currently, the procuring entities prepare their procurement plans in NeST and have a direct link with the budget. During the implementation, if there are no funds allocated in the specific activity, the procuring entity will have no capacity to proceed. Regulation. 75(2) further clarifies that; the procuring entity may commence procurement proceedings for scheduled or routine activities if the procuring entity is certain of funds availability in its budget for such activities. In addition, Regulation 75(3) provides that, where the contract extends over several years, an allocation of funds may be issued annually so that the total amount issued does not exceed the contract price plus a percentage for price escalation and physical contingencies, unless specific approvals are obtained for additional work and cost price increase.

Even though the Public Procurement Regulations (PPR) clearly set procedures and actions to be taken while preparing the procurement plans, there has not been effective adherence of the procurement plan due to inadequate funds disbursement. Through the Annual Performance Evaluation Reports prepared by PPRA, the implementation of procurement plan has been a key challenge in most of the procuring entities whereas only portion of the planned activities are implemented. The report of the FY 2020/2021 indicated that, the implementation of the procurement plan to the 19% of the audited entities for the reported period was between 15-45% of the total planned procurement. This signifies that, although there were funds allocated for implementation of activities reflected in the procurement plan, disbursements of funds were not observed. Further, the Annual Performance Evaluation Report (APERS) for the FY 2021/2022 indicated that, through the audit which was conducted out of 21,189 planned tenders by the 232 audited entities, only 10,540 tenders were implemented which is equivalent to 49.74 percent of total planned tenders.

### Gap analysis

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The disbursement constraints have been a major setback for the effective implementation of the planned activities. Although the requirements in the Annual Procurement Plans are originating from the budgets prepared and funds are allocated, the disbursement is not effectively adhered.

### Recommendations

- The Ministry responsible for Finance to disburse funds as per the planned activities in case these are directly originated from the Ministry or funds to be set aside by the procuring entity in case they are originated from their own internal generating sources.
- The NeST to be fully linked with the budget and accounts to automatically calculate the real-time implementation status in terms of budget utilization of ongoing and finished contracts.
- Introduce legal requirement of mandatory use of NeST and remedies for all public procurement as a phased approach.

### Assessment criterion 4(a)(c):

A feedback mechanism reporting on budget execution is in place, in particular regarding the completion of major contracts.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

A feedback mechanism reporting on budget execution is in place. Regulation 87 of the Public Procurement Regulations of 2013 as amended in 2016 provides that, for enhancing effective monitoring procurement activities and contract implementation, the procuring entities are required to submit to PPRA annual procurement plans, information on tender notices, invitations for quotations, request for proposals, contract award, contract termination and monthly, quarterly, and annual procurement implementation reports.

### Gap analysis

- No gap

### Recommendations

- None

### Sub-indicator 4(b)

#### Financial procedures and the procurement cycle

The legal and regulatory framework, financial procedures and systems should ensure that:

### Assessment criterion 4(b)(a):

No solicitation of tenders/proposals takes place without certification of the availability of funds.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

Reg. 75 of PPR, 2013 (as amended) provides that, procuring entities should ensure that funds are allocated or committed before commencing procurement proceedings or otherwise may commence procurement proceedings for scheduled or routine activities if the procuring entity is certain of funds availability in its budget for such activities. Furthermore, Sec. 59 of PPA Cap 410 R.E 2022 allows rejection of tender document or request for proposal which involve costs substantially higher than the original budget or estimates. The rejection of tenders or proposals is within the mandate of the procuring entity but is done after obtaining the internal approval by the tender board. In addition, the use of National e- Procurement System of Tanzania (NeST) restricts the commencement of the

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procurement without certification of funds availability. NEST is linked with the annual budget hence commencement of procurement would be possible after confirmation of funds' availability. The request to undertake procurement is initiated by the user department through the electronic procurement system and afterwards approved by the accounting officer of the implementing agency prior to invitation of tenders/ proposals.

### Gap analysis

- None

### Recommendations

- None

### Assessment criterion 4(b)(b):

The national regulations/procedures for processing of invoices and authorization of payments are followed, publicly available and clear to potential bidders. \*

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

The Procurement Regulations of 2013 as amended in 2016 requires payments to be made timely to the tenderers as a means of supporting the growth of the local firms. Further, the standard tender documents issued by PPRA provides the time limit for paying suppliers/ contractors/ service providers after fulfilling their contractual obligations and submission of payment invoices. The General Conditions of Contract (GCC) of the standard tender documents issued by PPRA require timely settlement of payment unless the contractor/ service provider/ supplier shall be entitled to receive financial compensation (interest charges) compounded monthly on the unpaid amount during the delayed period.

In line with the Public Procurement requirements, the standards periods for processing invoices are provided by the Public Finance Act and Regulations. Invoices are processed along with the required Local Purchase Order (which can be generated from the e-government payment system known as MUSE) and the relevant delivery certificate and inspection reports. Payments are carried out by respective procuring entities (PEs) upon internal approval of invoices or progress reports. Even though clear mechanisms for payments are in place, timely payment of invoices have been a major concern to suppliers, service providers and the contractors. Several bureaucracies in the approval processes that are not related to financial constraints have been observed within the procuring entity and others which are not within the mandate of the procuring entity which require clearance by the Ministry responsible for Finance. The long communication channel on the approval process together with untimely decision making by the responsible mandate after receiving payment claims unnecessarily lengthens the payment process. Due to delays in payments, interest charges have been claimed and paid by the implementing agencies as being evidenced through CAG audit report for FY 2022/23 whereby payments were delayed by one MDA resulted into accumulated interest charges of TZS 34.82 billion. Also, the CAG Report for FY 2022/23 identified (7) LGAs with outstanding contractor claims due to delays in disbursement by the Treasury. The total value of the outstanding claims was TZS 2.22 billion, with delays ranging from 55 to 270 days following approval.

For the case of donor funded projects, the Government of Tanzania (GoT) through the Ministry of Finance issued Treasury Circular No.2 of 2019 on Procedures for Requesting for and Transferring Donor Funds Direct to The Development Projects (famously D-Fund System) with Ref. No. EB/AG/485/01/Vol.XI, dated 4th September 2019 aimed at managing better and controlling funds provided by donors. This went hand in hand with the introduction of the GoT's locally developed accounting system namely, MUSE. With this circular and requirements of the MUSE system, the government changed the process of managing donor funded project funds from the semi-autonomous, where project teams made all payments without direct involvement of the MoFP to the current system where the

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MoF (MoFP by then) approves both requests for disbursements and requests for payments. Not only MoF, but sector ministries have a role under the new system whereby projects can only submit requests to their parent ministry which will then forward them to MoF with a cover letter signed by the ministry's respective PS. Then, the request goes to the MoF where it goes through the Internal Auditor General unit; then department of external finances and lastly the budget department which will finally forward the request to the PST for approval. This process is for both, disbursement, and payment as well, and takes an average of 45 days for payments while a few can go less than that and some go well beyond 3 months. Apart from delaying suppliers/contractors/consultants working with projects; this hugely delays implementation of project activities and achievement of PDOs. Most projects that should have closed in 2021, 2022, 2023 and 2024 have been extended or requested to extent for example DMDP1, DUTP, TIRP1, DMGP, TAZA, TREEP, just to mention a few.

## Quantitative analysis

// Minimum indicator // \* Quantitative indicator to substantiate assessment of sub-indicator 4(b) Assessment criterion (b):

- invoices for procurement of goods, works and services paid within the contractual period (in % of total number of invoices).

Source: PFM systems.

No data provided from PFM system to establish whether invoices for procurement of goods, works and services were paid within the contractual period. However, based on the sampled cases, timely payment was observed only on 66% of the sampled contracts while the remaining contracts payments were made beyond the time stipulated in the contracts.

## Gap analysis

Although procedures for payments are clearly provided, they are not adequately followed. Delays have been experienced on timely payment due to several bureaucracies in the approval processes that are not related to financial constraints. Due to delays in payments interest charges have been claimed and paid by the implementing agencies as being evidenced through the CAG audit reports. Delays has been further cemented by the responses provided by the private sector through the survey which was conducted. Based on the survey results, 21.5% of the respondents had concerns regarding delays in payment.

## Recommendations

- Procuring entities to streamline the internal processes to facilitate timely processing of payments.
- For the case of donor funded projects, the Government should revisit the approval process of D- Fund system which seemed to be lengthened unnecessarily to avoid unnecessary delays in settling out payments.

Indicator 5. The country has an institution in charge of the normative/regulatory function.

### Sub-indicator 5(a)

#### Status and legal basis of the normative/regulatory institution function

The legal and regulatory framework, financial procedures and systems provide for the following:

#### Assessment criterion 5(a)(a):

The legal and regulatory framework specifies the normative/regulatory function and assigns appropriate authorities' formal powers to enable the institution to function effectively, or the normative/regulatory functions are clearly assigned to various units within the government.

Conclusion: No gap

Red flag: No

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### Qualitative analysis

According to Sec. 7 of the Public Procurement Act Cap. 410, there is an established regulatory Authority known as the Public Procurement Regulatory Authority (PPRA). The purpose of establishing PPRA was to ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement standards and practices; set standards for the public procurement systems in Tanzania Mainland monitor compliance of procuring entities; and build, in collaboration with Public Procurement Policy Division and other relevant professional bodies, procurement capacity in the United Republic.

Public Procurement Regulatory Authority has formal powers which enable it to perform its functions provided under section 9 of the PPA Cap. 410. The functions cover Advisory activities (Government and other stakeholders in procurement), monitoring activities from planning stage to the contract closure (routine monitoring and the periodic monitoring- audits and investigations), regulatory activities (issuing circulars, standard bidding documents, guidelines, and procedural forms, etc.).

### Gap analysis

- None

### Recommendations

- None

### Sub-indicator 5(b)

#### Responsibilities of the normative/regulatory function

The following functions are clearly assigned to one or several agencies without creating gaps or overlaps in responsibility:

#### Assessment criterion 5(b)(a): providing advice to procuring entities

Conclusion: No gap

Red flag: No

### Qualitative analysis

Section 9(1) (a) of PPA Cap. 410 conferred PPRA with the mandate to advise Government, local government authorities and statutory bodies on procurement principles and practices. The advice provided either upon the receipt of the specific request from the implementing agencies/ procuring entity or the government on a specific procurement related issue or after carrying out audits or investigations where weaknesses are observed. Technical advice is also provided to the Paymaster General (Permanent Secretary for the Ministry of Finance) when reviewing the requests for the approval of retrospective procurements carried out on emergency cases.

### Gap analysis

- None

### Recommendations

- None

#### Assessment criterion 5(b)(b): drafting procurement policies

Conclusion: No gap

Red flag: No

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### Qualitative analysis

Section 6(1) of the PPA Cap 410 conferred the Public Procurement Policy Division under the Ministry of Finance with the mandate to develop National Procurement Policy. However, the procurement policy has not been operationalized.

### Gap analysis

- None

### Recommendations

- None

### Assessment criterion 5(b)(c): proposing changes/drafting amendments to the legal and regulatory framework

**Conclusion: Minor gap**

**Red flag: No**

### Qualitative analysis

The responsibility of proposing changes/ amendments to the legal and regulatory framework is vested to the Ministry of Finance. The process for proposing the amendments/changes to the legal and regulatory framework have been done by this authority while preparing the PPA of 2011, the amendments of PPA 2011, the PPR 2013, and the PPA of 2023. The survey carried out to the private sector indicated that, 12% of the respondents showed that the private sector is not consulted and engaged before introducing changes to the procurement rules and regulations. Further the survey results from the Civil Society Organizations indicated that, 24% of the respondents indicated that the Civil Society Organizations have never been consulted and engaged before introducing changes to the procurement rules and procedures.

### Gap analysis

The public is not widely informed despite having fewer number of respondents in both private sector and civil society (12% and 24% respectively) showing their dissatisfaction of not being involved in the changes which are made to the procurement rules and procedures.

### Recommendations

- Ministry responsible to increase more awareness to the public while initiating changes in the public procurement act.

### Assessment criterion 5(b)(d): Monitoring public procurement

**Conclusion: Substantive gap**

**Red flag: No**

### Qualitative analysis

The Public Procurement Regulatory Authority (PPRA) is given mandate through Section (9)(1) of PPA Cap. 410 to monitor the performance of the public procurement. Monitoring is carried out through various approaches including routine and periodic monitoring. Routine monitoring is carried out through tracking the procuring entity's

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performance in the whole procurement cycle starting from the initiation of the requirement from user department, approval to commence procurement by the AO, adequacy of the procurement method used, and the involvement of the approval machineries (Tender Board and the Accounting Officer) within the procuring entity. This process is done through the National e-Procurement System of Tanzania (NeST) where all procurement processes are handled.

The periodic monitoring is carried out by PPRA through procurement audits (compliance and value for money procurement audits), investigations, and through analyzing the submitted quarterly internal audit reports from the internal auditors of the procuring entities providing the extent to which the procuring entities have complied with the Public Procurement Act on the procurement proceedings. The procurement audits (compliance and value for money) provide a clear picture of the procuring entities performance, assessing and analyzing areas with gaps/challenges and issue recommendations on the actions to be taken as a means of enforcing compliance in public procurement. In case the audit observed serious breach of the Public Procurement Act by the officers participated in the procurement proceedings, recommendations on the actions to be taken are forwarded to their appointing authorities for disciplinary actions and if there are suspects of fraud the report is forwarded to the Prevention and Combating of Corruption Bureau for further actions.

Through procurement investigations on a specific allegation on mis procurement cases, PPRA may be able to testify the truth of the allegations provided and initiate actions to be taken incase observing any violation of the procurement law. The actions which may be taken after the completion of procurement investigation including suspending the procurement process in case of the serious violation of procurement act on undertaking the procurement proceedings, directing the implementing agencies on rectify weaknesses observed in the procurement process or recommending the disciplinary actions to be taken to the officers who acted against the Public Procurement Act.

According to Section 48(2) of the Public Procurement Act Cap. 410, the internal auditors of the procuring entities are required to include on their quarterly audit reports on whether the Act and regulations have been complied with and thereafter the copy of the report to be submitted to PPRA by the accounting officer. PPRA upon receiving the internal audit reports analyzed them and establish the action to be taken in case any violations of the Public Procurement Act are observed. Having observed challenges on receiving the internal audit reports from all the procuring entities, PPRA was given access on the electronic system for receiving the quarterly audit reports by the Internal Auditor General known as GARI-ITS under the Ministry of Finance to trace the procurement related issues reflected in the audit reports as part of continuous monitoring of procurement issues. Despite such initiatives, receiving the internal audit reports continues to be a challenge due to the lack of well-designed system to be used by PPRA on receiving the quarterly internal audit reports from the procuring entities which covers only the procurement component. Currently procuring entities may submit the quarterly internal audit report either through emails or via postal office. Therefore, only limited number of reports are received.

### Gap analysis

The institution's Strategic Plan III for FY 2021/22-2025/26 set the target for carrying out procurement monitoring for at least 50% of the procuring entities. However, for the FY 2022/23 only 239 out of 864 procuring entities were audited representing 23% of the total registered procuring entities. This is mainly due to the limited human and financial resources. Since there is continuous increase in the number of the registered procuring entities (inclusive of the delegated entities) in NeST (1,147) as of June 4, 2024, monitoring challenge will continue especially on the procurement, contract, and performance audits. Further, there is no adequate mechanism established on receiving the quarterly internal audit reports from the procuring entities. Most of the procuring entities submit the reports to PPRA through emails or via postal office. Therefore, only limited number of reports are received. As per the PPRA Annual Performance Evaluation reports, the number of procuring entities that managed to submit the quarterly



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internal audit reports for FY 2021/2022 were 124 out of 803 registered entities and 2022/2023 were 250 out of 864 registered entities. Even though PPRA have been given access on GARI-ITS on tracing the procurement related issues on the quarterly internal audit reports, the procurement component is not sufficiently addressed than the financial component.

### Recommendations

- Proper mechanism for submitting the internal audit reports should be established to strengthen monitoring of procuring entities performance.
- Development of procurement audit module of the NeST powered by Artificial Intelligence and Machine Learning.

### Assessment criterion 5(b)(e): providing procurement information

**Conclusion: Minor gap**

**Red flag: No**

### Qualitative analysis

Among the functions which are to be exercised by PPRA as per Section 9(1) of PPA Cap. 410 is to organize and maintain a system for the publication of data on public procurement opportunities, awards, and any other information of public interest. Previously, PPRA had systems which were used to provide procurement information which included but not limited to the procurement journal, the Procurement Management Information System (PMIS) and the Authority's website. On introducing the electronic procurement system in Tanzania, PPRA migrated from the Procurement Management Information System (PMIS) to Tanzania Electronic procurement System (TANePS) which was more advanced on archiving most of the procurement data/ information from the stage of preparation of bidding document to the contract management. TANePS was officially launched in July 2018. However, this system was observed to have several challenges which required further transformation to be made and thereby comes a new system known as the National Electronic Procurement System (NeST). NeST is currently used to carry out all procurement and archiving all procurement information from the stage of initiating the requirement by the user department to the stage of managing the contract. In line with NeST, PPRA also used other platforms in providing procurement information including the website, and the procurement journal. The public have open access on information relating to procurement (advertised tenders, awarded tenders, bidders awarded contracts), procurement guidelines, procedural forms, details on registration of special groups, previous reports on the procuring entities performance, the standard procurement documents, and training opportunities. Even though there is an electronic system designed, it is yet to function fully. There are some modules which have not yet operationalized including e-contract modules to enable having access to all contract implementation information. According to the Annual Performance Evaluation reports prepared by PPRA, there was an unsatisfactory trend for procuring entities to publish awards in the procurement system. During FY 2020/2021 only 194 out of 718 procuring entities published awards in the system while in FY 2021/2022, 1225 tender awards were not published in the electronic procurement system. However, through the operationalization of the new electronic procurement system (NeST), publication of contract awards is being considered except for contract implementation component which is yet to be operationalized.

### Gap analysis



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NeST is yet to be fully functional. There are some modules which have not yet been operationalized, including e-contract module, to enable having the access of all contract implementation information.

### Recommendations

PPRA to expediate development of the contract management module to allow publication of contract implementation information.

### Assessment criterion 5(b)(f): managing statistical databases

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

The information regarding the procurement related issues is managed by PPRA through the website and the electronic procurement system (NeST). PPRA has the responsibility of obtaining the information on price for standardized common use items and services from relevant public bodies with a view of ensuring that the price conforms with the prevailing market prices. This responsibility is provided under Section 9(1) (o) of PPA Cap. 410. The prices enables PPRA to set out the price caps which mitigate the risks of procuring goods/services at higher prices compared with the prevailing average market rates. The NeST system is now designed to generate reports with a pre-defined format and indicators. It provides a comprehensive statistical data analysis tool for generation of various reports.

### Gap analysis

**None**

### Recommendations

**None**

### Assessment criterion 5(b)(g): preparing reports on procurement to other parts of government

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

In accordance with Section 9 (b) of PPA Cap 410, PPRA is mandated to monitor and report on the performance of the public procurement systems in the United Republic. The Public Procurement Regulatory Authority in every end of the financial year required to prepare the Annual Performance Evaluation Report in respect of the that year's activity constituted by specific issues related to the Authority's performance including the evaluation of the operations of the procuring entities in respect to compliance. This is done in accordance with Section 29(1)(a)(ii) of PPA cap. 410. The report is submitted to the Minister for Finance and later tabled to Parliament for discussion and further directives to the government with a view to improve the procurement system.

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<b>Gap analysis</b> None
<b>Recommendations</b> None
<b>Assessment criterion 5(b)(h):</b> <b>developing and supporting implementation of initiatives for improvements of the public procurement system</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b> <p>This is not expressly stated but there are several functions stipulated in the PPA Cap. 410 which falls within PPRA role as narrated hereunder:</p> <ul style="list-style-type: none"> <li>(a) Section 6(2)(c) of PPA Cap. 410-study and mainstream best public procurement systems</li> <li>(b) Section 6(2)(d) of PPA Cap 410- develop, implement, monitor, and evaluate mechanisms for involvement of small and medium scale enterprises in public procurement markets.</li> <li>(c) Section 6(2)(k)- develop capacity structure, human resources and succession plans for procurement and supplies staff.</li> <li>(d) Section9(1)(d)- in collaboration with the Office of Attorney General and professional bodies, prepare, update and issue authorized versions of the standardized tendering documents, procedural forms, and any other documents to procuring entities. PPRA and the office of the Attorney General work jointly in preparing or updating the procurement implementation tools (standard tender documents and procurement guidelines). As per the Annual Performance Evaluation Report FY 2022/2023, Ten (10) new procurement implementation tools (guidelines and standard tender documents) were developed, and 57 existing tools were reviewed and disseminated.</li> <li>(e) Section 9(k)-determine, develop, introduce, maintain, and update related systems to support public procurement by means of information and communication technologies including the use of public electronic procurement. NeST has been developed by PPRA and most of the procuring entities have been connected in the system. As of 24<sup>th</sup> April 2024, a total of 1,142 procuring entities were registered in NeST and a total of 13,673 contracts were already awarded from the registered procuring entities.</li> <li>(f) Section 9(n)-build capacity to stakeholders engaged in public procurements issues. PPRA is responsible for building capacity to stakeholders engaged in public procurement issues. Based on the statistics provided in APER, during the FY 2022/2023 PPRA conducted tailor made courses to 574 public servants from 236 procuring entities, dissemination workshops to 706 public servants from 236 procuring entities and training sessions to 357 students.</li> <li>(g) Section 9(p)-undertake research and surveys nationally and internationally on procurement matters.</li> </ul>
<b>Gap analysis</b> None
<b>Recommendations</b> None
<b>Assessment criterion 5(b)(i):</b> <b>providing tools and documents, including integrity training programmes, to support training and capacity development of the staff responsible for implementing procurement</b>
<b>Conclusion: No gap</b>

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**Red flag: No**

### Qualitative analysis

- (a) The Public Procurement Policy Division (PPPD), through Sec. 6(2)(k) of PPA Cap. 410 has been vested with the responsibility of developing the capacity structure, human resources and succession plans for procurement and supplies staff. Procurement and Supplies professionals have been recognized by the Procurement Act to certify or register the procurement professionals who will be responsible for carrying out procurement. However, the responsibilities, duties and powers have not been clearly defined in the Procurement Act.
- (b) Section.9(1)(d) of PPA Cap.410, PPRA has the responsibility to prepare, update and issue authorized versions of the standardized tendering documents, procedural forms and any other documents to procuring entities in collaboration with the Office of Attorney General and professional bodies. PPRA and the office of the Attorney General work jointly while preparing or updating the procurement implementation tools (standard tender documents and procurement guidelines). As per the Annual Performance Evaluation Report FY 2022/2023, Ten (10) new procurement implementation tools (guidelines and standard tender documents) were developed, and 57 existing tools were reviewed and disseminated.
- (c) Section. 9(k) of PPA Cap. 410 PPRA has the responsibility to determine, develop, introduce, maintain, and update related system to support public procurement by means of information and communication technologies including the use of public electronic procurement. NeST has been developed by PPRA and most of the procuring entities have been connected to use the system. As of 24<sup>th</sup> April 2024, a total of 1,142 procuring entities were registered in NeST and a total of 13,673 contracts were already awarded out of the registered procuring entities.

### Gap analysis

**None**

### Recommendations

**None**

### Assessment criterion 5(b)(j):

**supporting the professionalization of the procurement function (e.g., development of role descriptions, competency profiles and accreditation and certification schemes for the profession)**

**Conclusion: No gap**

**Red flag: No**

### Qualitative analysis

The role for supporting the professionalization of the procurement function is clearly prescribed in PPA Cap. 410 and has been vested to PPPD as follows;

- (a) Section. 6(2) (j)-developing public procurement and supplies cadre;
- (b) Section. 6(2) (k)-developing capacity structure, human resources and succession plans for procurement and supplies staff;
- (c) Section. 6(2)(l)- building capacity of procurement and supplies staff;
- (d) Section. 6(2)(n)-providing inputs and advise for the development of public procurement and supplies curricula;

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<ul style="list-style-type: none"> <li>(e) Section. 6(2) (o)- to facilitate appointments of heads of procurement management units and transfer of procurement and supplies staff;</li> <li>(f) Section. 6(2) (p) manage the establishment of procurement management units;</li> <li>(g) Section. (6) (2) (q)-to liaise with procurement professional bodies on matters related to professionalization of the procurement cadre.</li> <li>(h) Section. 6(2) (s)- liaise with procurement professional bodies on matters related to professionalization of the procurement cadre</li> </ul>
<b>Gap analysis</b> <b>None</b>
<b>Recommendations</b> <b>None</b>
<b>Assessment criterion 5(b)(k): designing and managing centralized online platforms and other e-Procurement systems, as appropriate</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b>  PPA Cap. 410 prescribed the following functions to be undertaken by PPRA relating to the management of the centralized online platforms and other e-Procurement systems; <ul style="list-style-type: none"> <li>(a) Section 9(1) (k)-determine, develop, introduce, maintain and update related system to support public procurement by means of information and communication technologies including the use of public electronic procurement;</li> <li>(b) Section. 9(1)(g)- Organizing and maintaining a system for the publication of data on public procurement opportunities, awards and any other information of public interest as may be determined by the Authority;</li> </ul>
<b>Gap analysis</b> <b>None</b>
<b>Recommendations</b> <b>None</b>
<b>Sub-indicator 5(c) Organisation, funding, staffing, and level of independence and authority</b>
<b>Assessment criterion 5(c)(a): The normative/regulatory function (or the institutions entrusted with responsibilities for the regulatory function if there is not a single institution) and the head of the institution have a high-level and authoritative standing in government.</b>
<b>Conclusion: No gap</b>
<b>Red flag: No</b>
<b>Qualitative analysis</b>  PPRA is a regulatory body established under Section 7 of PPA Cap.410 and charged with the responsibility of regulating and overseeing implementation of the Act to deliver value for money and other socio-economic outcomes to the public. As per reporting mechanism, PPRA is directly reporting to the Ministry of Finance. PPRA is composed of two management organs: (i) Board of Directors who are the Governing body of the Authority (Section 21) (ii) The Chief Executive Officer/ Director General who is the accounting officer of the Authority (Section 23(4)).

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The Chief Executive Officer is appointed by the President (Section 23(2)) from amongst professionals with at least ten years of experience in either engineering, architecture, law, procurement and supplies management, quantity surveying, business administration, economic development planning or in any other related field, and shall have academic qualifications and experience in such fields including proven record of procurement experience.

Section 23(3)(b) of PPA Cap.410 vested the following powers to the Chief Executive Officer;

- (a) management and operations of the Authority
- (b) management of the funds, property, and business of the Authority
- (c) administration, organization and control of the officers and staff of the Authority
- (d) promotion of training and disciplining of the officers and staff of the Authority in accordance with their terms and conditions of appointment.

The specific Regulatory functions of PPRA as per PPA Cap 410 are as follows.

Section 9(1) (o)-obtaining price information for standardized common use items and services from relevant public bodies with a view to ensuring that the price conform with the prevailing market prices;

Section-9(1)(d)- to prepare, update and issue authorized versions of the standardized tendering documents, procedural forms and any other documents to procuring entities in collaboration with the Office of Attorney General and professional bodies,

Section9(1) (k)-determine, develop, introduce, maintain, and update related system to support public procurement by means of information and communication technologies including the use of public electronic procurement.

### Gap analysis

None

### Recommendations

None

### Assessment criterion 5(c)(b):

**Financing is secured by the legal/regulatory framework, to ensure the function's independence and proper staffing.**

**Conclusion: Substantive gap**

**Red flag: No**

### Qualitative analysis

The financing sources of PPRA as per Section 25 of PPA Cap 410 are follows.

- (a) money appropriated by the Parliament (Government subventions for other charges, employees' salaries, and government subventions for development activities)
- (b) loans or grants from the development partners;
- (c) revenues collected from goods or services that are rendered by the Authority.

The information extracted from the PPRA Annual performance Evaluation Report for FY 2022/23 indicated that, the annual approved budget was TZS 28.742 billion consisting of TZS 19.729 billion for Recurrent Expenditure and TZS 9.013 billion for Development Expenditure. Until the financial year's end, TZS 24.94 billion being 86.78 percent of the Annual Budget was disbursed. However, it was reported that PPRA experienced budgetary limits preventing conducting a thorough audit of every procuring entity within the relevant financial year.

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<p><b>Gap analysis</b></p> <p>PPRA is constrained with funds for carrying out the periodic monitoring activity through the procurement audits. This has greater impact on the total number of the procuring entities to be audited within a financial year. The statistics provided in the Annual Performance Evaluation Report indicated that, during FY 2022/2023 the total number of the audited entities were only 239 out of 864 procuring entities were audited representing 23% of the total registered procuring entities.</p>
<p><b>Recommendations</b></p> <p>PPRA to consult Ministry responsible for Finance seeking for financial assistance to support for supplementing the budget deficit for the audit activity.</p>
<p><b>Assessment criterion 5(c)(c):</b>  <b>The institution's internal organization, authority and staffing are sufficient and consistent with its responsibilities.</b></p>
<p><b>Conclusion: Substantive gap</b></p>
<p><b>Red flag: No</b></p>
<p><b>Qualitative analysis</b></p> <p>In accordance with Section 24 of PPA Cap 410 R.E 2022 the Authority is required to employ Directors who shall be principal assistants to the Chief Executive Officer/Director General, other officers and staff of such number and titles as may be necessary for the efficient discharge of the functions of the Authority on the terms and conditions as may be determined by the Board. Except for the position of the accounting officer, all staff of the Authority are obtained through the competitive recruitment process done by Tanzania Public Service Recruitment Secretariat or through the process of transferring the public officer from other public institutions through the President's Office, Public Service management and Good Governance. Transfer or recruitment of staff to PPRA the Authority depends on the availability of funds and approval from the government. PPRA has already established five zonal offices which are Mtwara, Mbeya, Tabora, Arusha and Mwanza aiming at improving the service delivery standards. PPRA organogram is yet to be fully supported. The required number of staff is 182 while the available staff is 144 (As of 23<sup>rd</sup> May 2024). The number of staff is inadequate for carrying out monitoring functions effectively.</p>
<p><b>Gap analysis</b></p> <p>PPRA organogram is yet to be fully supported. The number of staff is inadequate to enable carrying out monitoring functions effectively.</p>
<p><b>Recommendations</b></p> <p>PPRA to consult the Ministry Responsible for Public Service Management and Good Governance on the required number of staff to enable effective discharge of monitoring and regulatory functions.</p>
<p><b>Sub-indicator 5(d)</b>  <b>Avoiding conflict of interest</b></p>
<p><b>Assessment criterion 5(d)(a):</b>  <b>The normative/regulatory institution has a system in place to avoid conflicts of interest. *</b></p>

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**Conclusion: Minor gap**

**Red flag: No**

### Qualitative analysis

In accordance with Section 40 (6) of PPA Cap 410 R.E 2022 All members of the evaluation committee are required to sign Code of Ethics provided under the regulations made under the Act, declaring that they do not have a conflict of interest in the procurement requirement.

Section 102 of PPA cap. 410 provides that, the public officers and experts engaged to deliver specific services as being mentioned in the Act shall subscribe to the Code of Ethical Conduct. This includes avoiding conflict of interest.

### Quantitative analysis

**\* Recommended quantitative indicator to substantiate assessment of sub-indicator 5(d) Assessment criterion (a):  
- Perception that the normative/regulatory institution is free from conflicts of interest (in % of responses).**

Private sector: **27.6%**

Civil society organization: **35%**

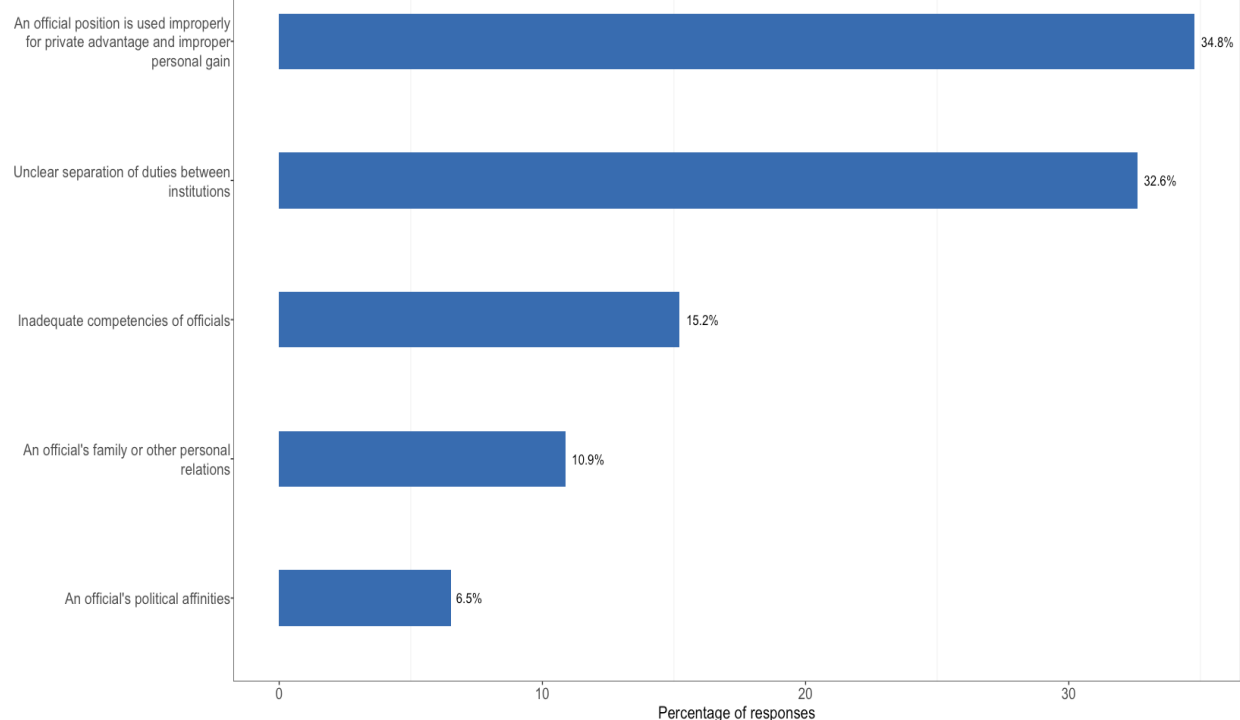
**Source: Survey.**

The assessment revealed different perception regarding the conflict of interest in procurement processes. As per the survey conducted to the private sector and civil society organizations, 27.6% of the respondents from the private sector indicated that there is no perceived conflict of interest while the 35% of the respondents from the civil society indicated the existence of conflict of interest.

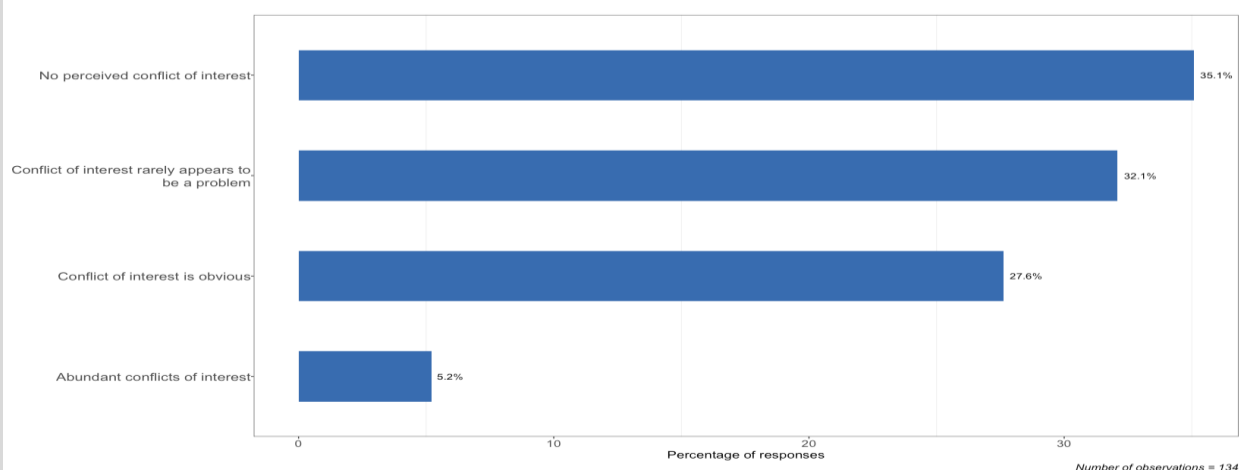
Regarding the situation where the normative/ regulatory institution or procuring entity faced a conflict of interest, there were different views between the civil society organizations and the private sector. About 66.4% of the respondents in private sector indicated that no conflict of interest on regulatory institutions or procuring entity while 51% of the respondents from the civil society organization indicated the existence of conflict of interest. For the respondents who expressed views on the existence of the situation of conflict of interest in regulatory institution or procuring entity, majority of the responses indicated that the conflict of interest is relating to an official position being used improperly for private advantage and improper personal gain (33.9% private sector and 34.8% CSO), unclear separation of duties between the institutions (private sector 27.5% and 32.6% CSO), unclear competences of officials (private sector 24.8% and CSO 15.2%). Details of the survey outcomes are as shown below:

### Survey results from the Civil Society Organizations

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### Survey results from the private sector



### Gap analysis

Considering the opinions of the private sector and civil society, conflict of interest is perceived as problematic by the civil society/NGOs. 58.8 percent consider that conflicts of interest are numerous or obvious and experience a situation where the normative/regulatory institution or procuring entity faced a conflict-of-interest situation (51.4



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percent of the respondents). The opinion of the private sector representatives is slightly different; 32.8 percent of the private sector representatives consider that conflicts of interest are numerous or obvious and 33.6 percent experienced a conflict-of-interest situation. Both NGOs and private sector identify use of personal position to own advantage or benefit (34.8 percent and respectively 33.9 percent) and the unclear separation of duties between institutions (32.6 percent and respectively 27.5 percent) are the two most predominant situations of conflict of interest.

### Recommendations

- Mechanisms for avoiding conflict of interest should be enhanced. This could include establishing a separate system to identify and avoid conflict of interest during execution of functions both at the level of the procuring entities and the PPRA. Such mechanisms could also include developing functionalities or integrating red flags indicators into NeST to detect potential conflict of interest.

### Indicator 6. Procuring entities and their mandates are clearly defined.

Sub-indicator 6(a) Definition, responsibilities and formal powers of procuring entities. The legal framework provides for the following:	
<b>Assessment criterion 6(a)(a):</b> Procuring entities are clearly defined.	
<b>Conclusion:</b> No gap	
<b>Red flag:</b> No	
<b>Qualitative analysis</b>	
Section 3 of PPA Cap.410 defined the “procuring entity” as a public body and any other body, or unit established and mandated by Government to carry out public functions. It includes Each Ministry, independent department, agency, parastatal, Local Government Authority or other unit, or any subdivision thereof, engaging in procurement. Pursuant to Section 36, the accounting officer have the overall responsibility for the execution of the procurement process in the procuring entity. Among other responsibilities, establishing tender board, appointing the members of the tender board, cause to be established a procurement management unit, approving all procurement opportunities, appointing of the evaluation committee and negotiation team, communicate award decisions, certifying the availability of funds to support the procurement activities etc. The responsibilities of other organs established by act are clearly articulated in the Act (Section 33, 34, 37,38, 39 and 40).	
<b>Gap analysis</b> No gap	
<b>Recommendations</b>	
<b>Assessment criterion 6(a)(b):</b> Responsibilities and competencies of procuring entities are clearly defined.	
<b>Conclusion:</b> No gap	
<b>Red flag:</b> No	

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### Qualitative analysis

Sec. 48(1) of PPA Cap. 410 prescribed the responsibilities of the procuring entities whereby the accounting officer designated as such under the Public Finance Act; the accounting officer designated as such under the Local Government Finances Act or in respect of any other public body, the chief executive officer of that public body, are all required to ensure the procurement of goods, works or services are in accordance with the procedures prescribed under this Act or regulations.

On ensuring the effective discharge of procurement functions, the following responsibilities have been set to the Procuring entities as per PPA Cap 410. These responsibilities have either being assigned to the accounting officer of the procuring entity or the internal established machinery having the responsibility of discharging the procurement functions. Key responsibilities are as follows;

- (a) Section. 48(2)- preparation of quarterly internal audit report by the internal auditor in every quarter of the financial year stating the extent in which the Act and regulation has been complied.
- (b) Section. 49-prepare its annual procurement plan in a rational manner.
- (c) Section. 63 -ensure that procurement or disposal by tender is implemented and reported through electronic procedures or manually where electronic facility is not available.
- (d) Sec. 31(1)- establish a tender board for procurement of goods, services, works and disposal of public asset by tender.
- (e) Section. 36(1)(c)-establish Procurement Management Unit staffed to an appropriate level.
- (f) Section. 36(1)(d) approving all procurement opportunities.
- (g) Section. 36(1)(e) appointing the evaluation committee and negotiation team.
- (h) Section. 36(1)(f) – communicating award decision.
- (i) Section.36(1)(g) Certifying the availability of funds to support procurement activities.
- (j) Section. 36(1)(h) signing contracts for the procurement activities on behalf of the procuring entity.
- (k) Section. 36(1)(i) handling complaints by suppliers, contractors, or consultants.
- (l) Section. 36(1)(j)-submitting a copy of complaints and reports of the finding to the Authority.
- (m) Section. 36(1)(l)- submitting to the Authority details of procurement contracts awarded and annual procurement plan for the next financial year.
- (n) Section 37(k) ensuring that the implementation of the awarded contract is in accordance with the terms and conditions of the award;

### Gap analysis

None

### Recommendations

None

### Assessment criterion 6(a)(c):

establish a designated, specialized procurement function with the necessary management structure, capacity and capability.\*

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

There is established designated specialized procurement function with the necessary management structure, capacity, and capability. As per the Public Procurement Act, GPSA, MSD and TEMESA have been designated to carry out specialized procurement functions. GPSA has been designated with the responsibility of Bulk procurement of motor vehicles/cycles and plants for government institutions, clearing and forwarding for government institutions,

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third party procurement, assurance of availability of quality office supplies and fuel for government institutions, provide a safe and secure warehousing facilities for Ministries, Departments and Agencies (MDAs), Local Government Authorities (LGAs) and Public Institutions and arrange for procurement of common use items and services by procuring entities through framework agreements for the purpose of efficiency of procurement process and reduction of procurement transaction costs within and across public bodies. During the past five years, GPSA concluded a total number of 63,094 open Framework agreements with local suppliers and service providers. Among the goods delivered through GPSA were 5,176 motor vehicles and 1,987 motorcycles amounting to TZS 779,489,528,265. The Agency also cleared government consignment valued TZS 3,122,845,985,352.39. In the case of fuel, GPSA is the sole entity authorized to supply fuel to all government vehicles in the country. During the past five years, GPSA supplied fuel valued TZS 575,757,375,160.

MSD has been designated with the responsibility of preparing the detailed and acceptable schedule of requirements and specifications for medicines and medical supplies which shall be submitted to PPRA for use by procuring entities for the procurement of the supplies together with procuring medicines and medical supplies to meet the demand of the public hospitals within the country.

TEMESA has been designated with the responsibility of carrying out maintenance or repair of Government owned motor vehicles, plant and equipment, maintenance, repair, and installation of electrical, air conditioning and refrigeration and electronics. Also, TEMESA is responsible for arranging through open or closed framework agreements, for procurement of maintenance and repair services of government-owned motor vehicles, plant and equipment, and maintenance, repair, and installation of electrical, air conditioning and refrigeration, and electronics services.

The procuring entities have an established Procurement Management Units staffed to an appropriate level, consisting of procurement and other technical specialists together with the necessary supporting and administrative staff. The established Procurement Management Units are headed by a person with appropriate academic and professional qualifications and experience in procurement functions registered by the Procurement Professional Body and report directly to the accounting officer of the procuring entity.

The established entities with a designated specialized procurement functions have not adequately managed to provide the intended services to meet the requirements of the end users due to several challenges which have been reported signifying that the objectives for their establishment have not been fully met.

While exercising her responsibilities, GPSA is facing the following key challenges which impair the effective discharge of its functions to achieve the intended Agency's objectives.

- (a) Procuring entities do not submit their annual purchase requirements to enable the Agency setting out the effective procurement strategy that would bring down procurement transaction costs for the procurement of common use items and services.
- (b) The GPSA Integrated Management Information system is not updated to meet all the control features for the services rendered.
- (c) Shortage of Staff in number and professionalism. As of June, of the financial year 2022/23, the Agency had 262 employees compared to the actual needs of 405 employees, thus making the Agency short of 143 employees in various cadres.
- (d) Monopolization of the motor vehicles market that has an impact on the availability of motor vehicles timely.
- (e) Failure by the procuring entities to efficiently consolidate their requirements through GIMIS to enable comprehensive procurement forecasts of which in turn render an obstacle in convincing potential manufacturers who could supply direct to GPSA enjoying overall price discounts.

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Medical Stores Department (MSD) have been reported to have low capacity on discharging the responsibility for supplying medicines and medical facilities to the public health facilities. The PPRA Annual Performance Evaluation report for financial year 2022/2023 indicated that, out of 3,014 ordered items from MSD worth TZS 106.76 billion; only 881 items worth TZS 3.93 billion were supplied and the remaining 2,133 were not served due to being out of stock. Further, inadequate forecasting, planning and management of the procured medicines are among the key challenges of MSD. The statistics provided in APER for FY 2022/2023 regarding the stock status of the medicines stored by MSD indicted that, 2.30 million items were expired signifying that, while medicines were procured there were no proper forecasting of the needs hence the procured items remained unsold until were out off- shelf.

During the FY 2020/2021, PPRA conducted a special audit at TEMESA after receiving several complaints on the performance of TEMESA for repair and maintenance of government vehicles. Through the audit conducted, several weaknesses were observed as follows:

- (a) The shortlisted private garages by TEMESA were not efficient in undertaking the repair and maintenance works. Out of the 15 sampled garages, the majority did not have the workshops with proper layout; up to date auto electric/ electronics diagnosis repair tools; and no experts employed on either permanent or contract basis, instead depend on daily hiring of experts.
- (b) Inadequate capacity of TEMESA in carrying out repair and maintenance services due to the shortage of experts in regional workshops in auto electric/electronics, pump services and auto air condition systems; inadequate staff with knowledge on the modern technology for undertaking repair and maintenance services; and inadequate equipment with modern technology for undertaking repair and maintenance services. The audit also established that the available equipment did not have the adequate capacity to handle the volume of repairs and services and most of the equipment were outdated and were not in good working condition.
- (c) Periodic inspections of the private garages were not carried out by TEMESA for the purpose of establishing whether have the capacity to undertake maintenance of public vehicles during the period of their engagement.
- (d) The cost estimates for spare parts prepared by TEMESA and charged to PEs for maintenance of vehicles were like those quoted by bidders who were issued with the LPOs by TEMESA the incidence which indicated that the procurements were not done competitively.
- (e) Hiring of technical experts and equipment which resulted into higher costs for carrying out repair and maintenance services by TEMESA
- (f) TEMESA charges fee for pre-inspection and post inspection which contributed to the higher costs for maintenance which is contrary to Reg. 137 (2) (d) of PPR, 2013 as amended in 2016.

### Quantitative analysis

// Minimum indicator // \* Quantitative indicator to substantiate assessment of sub-indicator 6(a) Assessment criterion (c):

- procuring entities with a designated, specialised procurement function (in % of total number of procuring entities).  
Source: Normative/regulatory function.

The quantitative indicator for substantiating the assessment of this sub indicator 6(a) is reflected here below;

FY	Number of registered entities	No of entities with specialized procurement functions	% of the total number of procuring entities
2020/21	718	3	0.42%
2021/22	803	3	0.37%
2022/23	864	3	0.35%

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Basing on the statistics obtained from the Annual Performance Evaluation Reports for FY 2020/21 and 2022/23 together with the Monitoring and Compliance Report for FY 2021/22 from PPRA, the total number of registered procuring entities were 718, 803 and 864 for the three consecutive financial years. For all three consecutive financial years the established number of entities with the specialized procurement functions are three equivalent to 0.4%, 0.37% and 0.35% respectively.

### Gap analysis

The three designated specialized procuring entities (GPSA, TEMESA and MSD) have inadequate capacity to discharging their responsibilities. The established entities lack the updated systems and facilities, inadequate human resources and inadequate planning and forecasting of requirements to effectively meet the need of the end users.

### Recommendations

- The Framework module under NeST should be developed to include an e-catalogue, buffer stock calculation, automated PO generation based on user needs, and delivery lead time.
- Building capacity of Staff on the areas of their expertise by the specialized procuring entities.
- GPSA to enhance strategic planning process on gas station installations/construction to align with environmental requirements.
- Forecasting of requirements for medicines should be properly done prior to the commencement of procurement and the engagement of suppliers by MSD.
- TEMESA to update the existing systems and acquiring modern facilities to enhance effective discharge of functions by the designated centralized procuring entities.
- The centralized procuring entities which are not adequately staffed to consult the Ministry responsible for Public Service and Good Governance for attaining more staff.

### Assessment criterion 6(a)(d):

Decision-making authority is delegated to the lowest competent levels consistent with the risks associated and the monetary sums involved.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

Section 42(1) of PPA Cap.410 provides that, the accounting officer may, in accordance with the terms and conditions specified in the regulations delegate the procurement function of the procuring entity to a sub-division of that entity as for the cases of the delegated procuring entity where there is a delegated accounting officer and procurements are carried out; another procuring entity or a third-party procurement agency in case there is no internal capacity to handle procurement activities within the procuring entity or in case the periodic monitoring conducted by PPRA proved the existence of several anomalies that could not warrant the procuring entity to continue undertaking procurement. Further, Section. 42(2) of PPA Cap. 410 provides that, the accounting officer may delegate to a head of department within the same procuring entity, his authority to procure up to a limit not exceeding that which is specified in the regulations and such delegation shall be made in writing in accordance with the procedures stipulated in the regulations. Although the law allows delegation of the procurement functions, the accounting officer shall have the overall responsibility for the execution of the procurement process in the procuring entity (Section.36 of PPA Cap.410).

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<b>Gap analysis</b>
No gap
<b>Recommendations</b>
None
<b>Assessment criterion 6(a)(e):</b>
Accountability for decisions is precisely defined.
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b>
Accountability for decisions is precisely described. According to Section 48(4) of PPA Cap.410; every accounting officer is held accountable for failing to comply with the provisions of the Act while undertaking the procurement of goods, works or services. Section 48(5) of PPA Cap.410 further provides that, where an accounting officer satisfies the Authority that he had, in accordance with the provisions of any rules or regulations made under the Procurement Act, delegated his functions to any other person or committee, then such other person or every member of the committee shall also be accountable for the failure to comply with the provisions of the Public Procurement Act.
<b>Gap analysis</b>
None
<b>Recommendations</b>
None
<b>Sub-indicator 6(b)</b> <b>Centralized procurement body</b>
<b>Assessment criterion 6(b)(a):</b>
The country has considered the benefits of establishing a centralized procurement function in charge of consolidated procurement, framework agreements or specialized procurement.
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b>
Part IV of the Procurement regulations GN 446 as amended (2016) have clearly identified the institutions/ agencies responsible for coordination, consolidation and procurement of common use items and services (item a), procurement of maintenance and repair of motor vehicles, plant and equipment, and the installation of electrical, refrigeration, air conditioning and electronic services in buildings owned by Government (item c), and Procurement of Medicines and Medical Supplies (item e).
The established centralized agencies in charge of consolidated procurement, framework agreements or specialized procurement are as follows;
(a) Government Procurement services Agency (GPSA)
The Government Procurement Services Agency (GPSA) is an Executive Agency established under the Executive Agency Act No. 30 of 1997 vide GN 235 of 7th December 2007 as amended and as per GN 133 of 13 <sup>th</sup> April 2012.
Regulation 130 of PPR GN No. 446 of 2013 as amended, requires procuring entities to procure the catalogue items available at lower market prices and clearing and forwarding services from the Government Procurement Service

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Agency (GPSA). GPSA has the responsibility of storing the catalogue items to be procured by the procuring entities/ implementing agencies and clearing services. Also, GPSA has been designated with the responsibility of arranging the procurement of commonly used items and services through framework arrangement (Reg.131 of PPR GN No. 446).

### (b) Medical Stores Department (MSD)

The Medical Stores Department (MSD) was established by the Act of Parliament No.13 of 1993 as amended in 2021 as an autonomous department under the Ministry of Health, responsible for developing, maintaining, and managing an efficient and cost-effective system of production, procurement, storage, and distribution of approved medicines and medical supplies required for use by all public health facilities.

Pursuant to Reg. 140 and 141 of GN No. 446 as amended, MSD is required to arrange for procurement of catalogue and non-catalogue items which are required continuously or repeatedly over a set period, and which are common to more than one procuring entity and may be procured through framework agreements by placing call off orders. Procuring entities are required then to place orders to MSD for any item included in the price catalogue. Further Reg. 146 of GN No. 446 requires MSD to prepare a detailed and acceptable schedule of requirements and specifications for medicines and medical supplies, which shall be submitted to PPRA for use by procuring entities for the procurement of the supplies.

### (c) Tanzania Electrical Mechanical and Electronics Services Agency (TEMESA)

The Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA) was established by the Government Notice No. 254 of August 2005 with the objective of providing efficient and effective electrical, mechanical, electronics services, reliable and safe ferry transport services and equipment hire services to government institutions and the public.

Pursuant to Reg. 137 of GN No. 446 of 2013 as amended, TEMESA is responsible for carrying out maintenance or repair of Government owned motor vehicles, plant and equipment, maintenance, repair, and installation of electrical, air conditioning, refrigeration, and electronics. With this responsibility all spare parts for undertaking repair and maintenance of motor vehicles, together with repair and installation of electrical, air conditioning and refrigeration and electronics are all procured by TEMESA in bulk. Also, TEMESA is responsible for arranging through open or closed framework agreements, for procurement of maintenance and repair services of government – owned motor vehicles, plant and equipment, and maintenance, repair, and installation of electrical, air conditioning and refrigeration, and electronics services.

#### Gap analysis

None

#### Recommendations

None

#### Assessment criterion 6(b)(b):

In case a centralized procurement body exists, the legal and regulatory framework provides for the following:

- Legal status, funding, responsibilities, and decision-making powers are clearly defined.
- Accountability for decisions is precisely defined.
- The body and the head of the body have a high-level and authoritative standing in government.

**Conclusion:** No gap



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<b>Red flag:</b> No
<b>Qualitative analysis</b>  Legal status, funding, responsibilities, and decision-making powers are all clearly defined for GPSA, MSD and TEMESA through their instruments of establishment. The heads of the agencies are appointed by the President of United Republic of Tanzania and have a high level and authoritative standing in the government.
<b>Gap analysis</b>
<b>Recommendations</b>
<b>Assessment criterion 6(b)(c):</b> The centralized procurement body's internal organization and staffing are sufficient and consistent with its responsibilities.
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b>  The centralized procurement body's internal organization and staffing are sufficient and consistent with its responsibilities. The staffing level depends on the approved organization structure of each specific Agency and the approved scheme of service by the Ministry responsible for establishment (President's Office, Public Service Management and Good Governance).
<b>Gap analysis</b> None
<b>Recommendations</b> None

### Indicator 7. Public procurement is embedded in an effective information system

<p style="text-align: center;"><b>Sub-indicator 7(a)</b></p> <p style="text-align: center;"><b>Publication of public procurement information supported by information technology</b></p> <p style="text-align: center;">The country has a system that meets the following requirements:</p>
<b>Assessment criterion 7(a)(a):</b> Information on procurement is easily accessible in media of wide circulation and availability. Information is relevant, prompt and complete and helpful to interested parties to understand the procurement processes and requirements and to monitor outcomes, results, and performance.
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b>  As being provided in assessment criteria 5(b) (e), among the functions which are to be exercised by PPRA as per Section 9(1) of PPA Cap. 410 is to organize and maintain a system for the publication of data on public procurement



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opportunities, awards, and any other information of public interest. PPRA through National e-Procurement System of Tanzania (NeST) manages to provide a wider access to the interested parties to obtain information related to procurement. NeST is currently used to carry out all procurement and archiving all procurement information from the stage of initiating the requirement by the user department to the stage of managing the contract. In line with NeST, PPRA also used other platforms in providing procurement information including the website, and the procurement journal. The public have free access on information relating to procurement (advertised tenders, awarded tenders, bidders awarded contracts), procurement guidelines, procedural forms, details on registration of special groups, previous reports on the procuring entities performance, the standard procurement documents, and training opportunities. NeST is also used by PPRA as a monitoring tool on procurement process as it covers the whole procurement cycle. At any point of time PPRA may undertake any intervention in case observed to have situations where the procurement process has violated the requirements of the PPA Cap. 410.

### Gap analysis

None

### Recommendations

None

### Assessment criterion 7(a)(b):

There is an integrated information system (centralized online portal) that provides up-to-date information and is easily accessible to all interested parties at no cost.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The National e- Procurement System of Tanzania (NeST) is a procurement integrated information system that provides up to date information relating to procurement. The system is accessible to interested parties for free of charge in the form of view access. The view access covers the tender document, the notice for invitation of the specific activity and the details of the implementing agency advertised the tender opportunity. Also, details regarding the contract award are available to the public.

### Gap analysis

None

### Recommendations

None

### Assessment criterion 7(a)(c):

The information system provides for the publication of: \*

- procurement plans
- information related to specific procurements, at a minimum, advertisements or notices of procurement opportunities, procurement method, contract awards and contract implementation, including amendments, payments and appeals decisions
- linkages to rules and regulations and other information relevant for promoting competition and transparency.

**Conclusion:** Substantive gap

**Red flag:** No

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### Qualitative analysis

NeST (National e-Procurement System of Tanzania) has been designed to facilitate e-registration, e-tendering, e-contract management, e-payment, e-catalogue, and e-auction. NeST supports processes of procuring Goods, Works, Consultancy, Non-Consultancy and Disposal of assets. The system supports various public procurement procedures including user registration, tender notification, tender preparation and submission, online tender evaluation, contract awarding, creation and management of catalogue, creation and management of framework agreements, auctions, and payments.

### Quantitative analysis

// Minimum indicator // Quantitative indicators to substantiate assessment of sub-indicator 7(a) Assessment criterion (c):

- procurement plans published (in % of total number of required procurement plans)
- key procurement information published along the procurement cycle (in % of total number of contracts) :
- invitation to bid (in % of total number of contracts)
- contract awards (purpose, supplier, value, variations/amendments)
- details related to contract implementation (milestones, completion, and payment)
- annual procurement statistics
- appeals decisions posted within the time frames specified in the law (in %).

Source: Centralized online portal.

No data provided to establish the percentage of the published procurement plan, percentage of key procurement information published along the procurement cycle, invitation to bid contracts awards, details related to contract implementation and annual procurement statistics. This is with exception of data on appeals decision posted within the time frames specified in the contract which was received and discussed in Pillar IV.

### Gap analysis

- For the last five years, there was no centralized online portal to substantiate assessment of sub-indicator 7(a). In 2018 PPRA developed e-GP (TANePS) which was paper based and was not full-fledged to cover the whole procurement cycle. TANePS is no longer in existence and has been replaced by NeST since July 1, 2023, which has many modern features, however not all of them are operational and statistics on the procurement activity at country level are missing.

### Recommendations

- PPRA to establish the centralized online portal/NeST to capture, publish and produce reports on the key performance indicators.

### Assessment criterion 7(a)(d):

In support of the concept of open contracting, more comprehensive information is published on the online portal in each phase of the procurement process, including the full set of bidding documents, evaluation reports, full contract documents including technical specification and implementation details (in accordance with legal and regulatory framework).

**Conclusion:** Substantive gap

**Red flag:** No

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### Qualitative analysis

The procurement information is archived in NeST from the stage of initiation of requirement from the user department to the project closure stage. The archived information including details for request to commence procurement from the user department, the standard bidding documents, summary of bid opening, the tender evaluation report, the approval decision by the tender board, notice of intention to award the contract, the award notices, full draft of the contract document can be generated from the system. However not all documents can be accessed publicly, for instance details on tender evaluation and the procuring entities' internal approvals.

The system captures the data to comply with Open Contracting Data Standard (OCDS). However, the system does not provide OCDS-based data and document disclosure in machine-readable formats. Today, OCDS is the de facto standard for disseminating procurement data and information in machine-readable format from the different stages of the procurement and contract management processes. Also, it uses the data for comprehensive data analytics. Since the real-time transactional procurement and contract data from all the procurement and contracting processes reside in the e-GP System, the OCDS should be in-built into the NeST, including capturing the geotags and setting up red flag indicators into the system to facilitate the dissemination of the real-time data and documents to the public for enhancing transparency, accountability, integrity, operational and strategic policy decisions, and innovations.

### Gap analysis

The NeST does not provide data and documents in the Open Contracting Data Standard (OCDS) format.

### Recommendations

The NeST should publish the data from the different stages of the procurement processes in machine-readable OCDS format.

### Assessment criterion 7(a)(e):

Information is published in an open and structured machine-readable format, using identifiers and classifications (open data format). \*

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

Procurement information are captured and stored in OCDS format, but not published in the machine-readable OCDS format. The system also does not provide option for downloading and viewing in the machine-readable format.

### Quantitative analysis

*\* Recommended quantitative indicator to substantiate assessment of sub-indicator 7(a) Assessment criterion (e):  
- Share of procurement information and data published in open data formats (in %).*

*Source: Centralised online portal.*

No data provided to establish the percentage of the share of procurement information and data published in open data format.

### Gap analysis

The system does not publish information on machine-readable OCDS format.

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### Recommendations

It is recommended to publish the data and information from the different stages of the procurement processes in machine-readable format allowing easy download and viewing by the interested users.

### Assessment criterion 7(a)(f):

Responsibility for the management and operation of the system is clearly defined.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The responsibility for management and operation of the system have been clearly stated in the Public Procurement Act. Pursuant to Sec. 9 (k) of PPA Cap 410 R.E 2022, PPRA is mandated to determine, develop, introduce, maintain, and update related system to support public procurement by means of information and communication technologies including the use of public electronic procurement. The NeST is operating under the PPRA's supervision and control.

### Gap analysis

None

### Recommendations

None

### Sub-indicator 7(b) Use of e-Procurement

### Assessment criterion 7(b)(a):

E-procurement is widely used or progressively implemented in the country at all levels of government.\*

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

At first place, PPRA introduced the electronic procurement system known as TANePS to carry out procurement and discouraging the use of the manual system through Circular No. 4 of 2019 issued by the Paymaster General of 23rd December 2019. As per the Annual Performance Evaluation Report of PPRA for the Financial year 2020/2021 a total number of 718 entities were already registered the results which indicated the response against the directive which was issued by the Paymaster General. TANePs was kept on use until July 2023 when the official notice No.2 dated 27<sup>th</sup> July, 2023 was issued to migrate to a new system known as NeST after realizing some challenges in TANePS which minimizes efficiency in the procurement process. NeST is currently used to carry out all procurement and archiving all procurement information from the stage of initiating the requirement by the user department to the stage of managing the contract. NeST allows publication of the procurement plan and the General procurement Notice (GPN). As of 24th April 2024, the planned tenders to be transacted by various procuring entities as per the published GPN were 77,595 with the estimated total value of TZS. 30.12 trillion.

### Quantitative analysis

// Minimum indicator // \* Quantitative indicators to substantiate assessment of sub-indicator 7(b) Assessment criterion (a):

uptake of e-Procurement

- number of e-Procurement procedures in % of total number of procedures
- value of e-Procurement procedures in % of total value of procedures

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*Source: e-Procurement system.*

No data for the last five years provided to establish the percentage number and value of the procurement activities processes in e-procurement system.

### Gap analysis

No data for the last five years provided to establish the percentage number and value of the procurement activities processes in e-procurement system. There is an opportunity to improve NeST and it is expected that at the end of this fiscal year data can be generated.

### Recommendations

- NEST to be improved to generate data and key performance indicators in the procurement system.
- The Farmwork module under NeST will be further developed to include a Catalogue, buffer stock calculation, automated PO generation based on user needs, and delivery lead time.

### Assessment criterion 7(b)(b):

Government officials have the capacity to plan, develop and manage e-Procurement systems.

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

PPRA trained Government Officials including user department, tender board, PMU, accounting officers, and ICT officers on the use of the e-procurement system in carrying out procurement. Training covers the aspects of overview of the Nests, e-registration module, and e-tendering module from procurement planning, tender initiation and publication, tender evaluation, award of contracts and contract preparation as well as overview of PPA Cap 410.

A Steering Committee (SC) is formed to ensure and address system implementation policy issues. The Steering Committee meets quarterly to review the progress of the NeST implementation. The experts appointed by the Government for the NeST team are those with expertise in Procurement, Lawyers, IT Systems Analysts (ICT Business Analysts) and System Developers. Among the experts appointed, especially those to build the system (System Developers), they came from various institutions under the leadership of the Internet Government Authority (eGA). In addition, PPRA has seven experts (system developers) who are directly involved in the development of the system and will be supporting the system and enhancing the system once it is completed.

The development and deployment approach are participatory at all stages, the relevant stakeholders are involved in providing their needs and improving the modules that are starting to work.

### Gap analysis

Since the NeST team is assembled, bringing experts from different institutions, the team's sustainability must be ensured as the highest priority. If the team members again disperse, it could become a big challenge for the system's sustainability. The governance structure must be reviewed, and the team must be institutionalized as soon as possible. It is imminent that the e-GP Strategy has to be reviewed and updated to reflect the current context and strategic plan for the sustainability of the NeST, including the rollout plan for central and local government PDEs,

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including their IT infrastructure and capacity building issues, staffing and their incentive policies, the institutionalization of the e-GP operation, bidding community adaptation, capacity building, and change management, and other policy interventions to enhance the e-GP System implementation successfully.

### Recommendations

Reviewing the options for the institutionalization of the e-GP Unit with a sustainable policy framework for retaining skilled staff of the unit and ensuring the smooth operation and growth of the system in the future. Few countries have considered establishing an e-GP Directorate with special incentive provisions under the government policies, a few established a dedicated SOE for the e-GP System, giving some autonomy for its implementation and growth, and others chose to embrace the Public Private Partnership (PPP) operation model.

### Assessment criterion 7(b)(c):

Procurement staff is adequately skilled to use e-Procurement systems reliably and efficiently.

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

Some of the procurement staff from the government entities have adequate skills to enable them to use the e-procurement system obtained from training organized and provided by PPRA. The trainings provided are basic to enable them using the electronic system and cover registration and the tendering process stage from the procurement planning, initiation of requirement from the user department to the stage of publishing the award and preparation of contract.

### Gap analysis

Training component has not yet been widely provided. Majority of the users in the procuring entities which are registered in the system currently increased in number from 864 PEs to 1114 have not been trained on the use of electronic procurement system which continues to be a challenge on the effective use of the system. However, some of the modules are under construction including the e-auction, contract management, and e-catalogue which will also require intensive trainings to users.

### Recommendations

- More financial resources should be deployed for widening the scope of training to the users of the e-system.

### Assessment criterion 7(b)(d):

Suppliers (including micro, small and medium-sized enterprises) participate in a public procurement market increasingly dominated by digital technology. \*

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

NeST doesn't recognize suppliers under micro, small and medium-sized enterprises. Registration is based on registered companies/firms in the categories of suppliers, contractors, service provider and consultants.

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Also special groups, CSO and NGOs are registered in NeST as they are identified in PPA Cap 410.
<b>Quantitative analysis</b>  * Recommended quantitative indicators to substantiate assessment of sub-indicator 7(b) Assessment criterion (d): - bids submitted online (in %) - bids submitted online by micro, small and medium-sized enterprises (in %) Source: e-Procurement system.
No data provided to establish the percentage of bids submitted online by micro and medium sized enterprises and the percentage of bids submitted online
<b>Gap analysis</b>  No data was provided on the participation of micro, small and medium sized enterprises (MSMEs) in public procurement market, therefore the calculation of the percentage of bids submitted online MSMEs was not possible.
<b>Recommendations</b>  NEST to be improved to generate data and key performance indicators in the procurement system.
<b>Assessment criterion 7(b)(e):</b> If e-Procurement has not yet been introduced, the government has adopted an e-Procurement roadmap based on an e-Procurement readiness assessment.
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b> The e- procurement has been introduced
<b>Gap analysis</b> None
<b>Recommendations</b> None
<b>Sub-indicator 7(c)</b> <b>Strategies to manage procurement data</b>
<b>Assessment criterion 7(c)(a):</b> A system is in operation for collecting data on the procurement of goods, works and services, including consulting services, supported by e-Procurement or other information technology.
<b>Conclusion:</b> Minor gap
<b>Red flag:</b> No
<b>Qualitative analysis</b>  No stand-alone system which is in operation for collecting data on the procurement of goods, works and services including consulting services supported by e- procurement or other information technology. Currently, all information related to procurement is directly captured through NeST from planning stage to the award stage. NeST is yet to function fully as there are some of the modules which have not been operationalized hence some of the

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procurement information cannot be accessed through NeST. This covers information relating to e-auction, contract management, and e-catalogue.

### Gap analysis

NeST is yet to function fully as there are some of the modules which have not been operationalized hence some of the procurement information cannot be accessed through NeST. This covers information relating to e-auction, contract management, and e-catalogue. The e-system is still under construction and the construction is carried out on phase basis.

### Recommendations

PPRA to expediate fully function of the electronic procurement system through ensuring that all modules and operational.

### Assessment criterion 7(c)(b):

The system manages data for the entire procurement process and allows for analysis of trends, levels of participation, efficiency and economy of procurement and compliance with requirements.

**Conclusion:** Minor gap

**Red flag:** No

### Qualitative analysis

NeST has the capacity to provide details on the number and value of the planned tenders, the entities planned the procurement, opening tender details with their respective category and the number and value of the awarded contract. The NeST does not provide a comprehensive tool for the Explorative Data Analysis (EDA) for analysis of trends, levels of participation, efficiency and economy of procurement and compliance requirements. It provides only a few pre-defined reports.

### Gap analysis

The NeST does not provide Data Analytics tool for data analysis on trends, and other kinds of analysis.

### Recommendations

The NeST should incorporate a comprehensive tool for data analytics.

### Assessment criterion 7(c)(c):

The reliability of the information is high (verified by audits).

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

The NeST captures and stores the data along the workflow process and maintains the audit trail and logs in the system for the data integrity, non-repudiation, and reliability. A lot of information is auto-populated from the direct source by integrating the e-Services of the different government e-Services with the system. Bidding data captured



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by the system are encrypted and remain encrypted. The internal quality assurance team regularly tests the systems; however, a third-party audit has not yet been carried out.

### Gap analysis

The third-party system audit has not yet been carried out to identify the system vulnerability and risks to take appropriate risk mitigation measures.

### Recommendations

Complete the third-party IT system audit to identify the system vulnerabilities and risks and ensure the reliability of the system by implementing the appropriate risk mitigation measures.

### Assessment criterion 7(c)(d):

Analysis of information is routinely carried out, published, and fed back into the system. \*

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

Section 29 of PPA Cap. 410 requires PPRA to submit to the Minister the Annual Performance Evaluation Report within three months from the end of each financial year, in respect of that year's activities consisting of evaluation of the operations of the Authority and the annual management plan and an evaluation of operations of procuring entities in respect to compliance audit findings, complaints investigated, and corrective actions taken. It is at this point of time that all information related to PPRA's performance and PE's performance are disclosed to the public. Since PPRA was established, these reports are prepared and submitted to the responsible Minister to comply with the requirements of the law.

The Annual Performance Evaluation reports are archived on the PPRA website. There is no other system in which this information is archived. Also, there is no routine analysis of information which is carried out rather is consolidated and reported after the end of each financial year. Since there is no current report produced through the electronic procurement system, it is not possible to have the comprehensive statistical details on the total number and value of contracts awarded with their respective categories together with the number of procuring entities awarded such contracts, details of the public procurement as a share of government expenditure and as share of GDP and the value of contracts awarded through competitive methods.

### Quantitative analysis

// Minimum indicator // \* Quantitative indicators to substantiate assessment of sub-indicator 7(c) Assessment criterion (d):

- total number and value of contracts
- public procurement as a share of government expenditure and as share of GDP
- total value of contracts awarded through competitive methods in the most recent fiscal year.

Source: Normative/regulatory function/E-Procurement system.

No data provided to establish the total number and value of the contracts published, public procurement as a share of government expenditure and share of GDP and the total value of contracts awarded through competitive method in the most recent year.

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### Gap analysis

- The NeST does not provide any user feedback function in the system.
- Quantitative assessment was not carried out to substantiate the assessment of sub indicator 7(c) criterion (d) on the total number and value of contracts published, public procurement as a share of government expenditure and share of GDP and the total value of contracts awarded through competitive method in the most recent year.

### Recommendations

- The NeST should incorporate a public forum or feedback tool in the system to collect feedback from the users.

## Indicator 8. The public procurement system has a strong capacity to develop and improve

### Sub-indicator 8(a)

#### Training, advice and assistance

There are systems in place that provide for:

#### Assessment criterion 8(a)(a):

Substantive permanent training programmers of suitable quality and content for the needs of the system.

**Conclusion:** No gap

**Red flag:** No

#### Qualitative analysis

PPRA has a division responsible for capacity development and advisory services on procurement related issues. Through the challenges observed during the audits, investigations or through routine assessment regarding the application of PPA and PPR, together with challenges on the adequate use of the electronic procurement systems, various trainings are designed to suit the intended purposes. PPRA develops annual training programs which are published on PPRA website to allow staffs from the procuring entities (procurement staff, AO, TB, Internal Audit staff and the representatives of the user department) to strengthen their capacity in procurement related issues. Training courses also included suppliers, contractors and service providers and are designed to suit each intended group. In line with the trainings which are provided by PPRA, there are also some higher learning institutions/universities and professional bodies (PSPTB, CRB, AQRB) that provide training on the application of PPA and PPR.

Further, specific training on procurement is provided by several Universities/ Higher Learning Institutions designed in the way the graduates are taken across several procurement related issues at certificate, diploma, degree, and master's degree level.

#### Gap analysis

None

#### Recommendations

None

#### Assessment criterion 8(a)(b):

Routine evaluation and periodic adjustment of training programs based on feedback and need.

**Conclusion:** No gap

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<b>Red flag:</b> No
<b>Qualitative analysis</b>  <p>Through the tailor made and the designed short courses conducted by PPRA, evaluation is carried out after the completion of the specific course with the objective of determining whether the participants achieve the intended goals. The assessment provides feedback on areas of improvement for future courses.</p> <p>For the case of long courses provided by the Universities/ Higher learning institutions, evaluation of the program is done every five years according to NACTVET Regulations. Each University is required to evaluate and adjust its courses in line with the market requirements.</p>
<b>Gap analysis</b> None
<b>Recommendations</b> None
<b>Assessment criterion 8(a)(c):</b>  Advisory service or help desk function to resolve questions by procuring entities, suppliers, and the public.
<b>Conclusion:</b> Minor gap
<b>Red flag:</b> No
<b>Qualitative analysis</b>  PPRA has a Help Desk which is operational with staff from various disciplines. Responses to questions are given as appropriate. The help desk experts provide daily support on e-procurement, procurement issues through emails, phone calls and live chats. Also, support includes customers who physically approached the Authority seeking guidance and technical assistance on procurement issues.
<b>Gap analysis</b>  The helpdesk has not yet been facilitated fully with the adequate number of staff. Procuring entities are still complaining on timely handling of cases submitted to PPRA regarding the effective function of the system.
<b>Recommendations</b>  The adequate number of staff should be deployed to the helpdesk to widen the scope of resolving issues related to the use of electronic procurement by various stakeholders.
<b>Assessment criterion 8(a)(d):</b> A strategy well-integrated with other measures for developing the capacity of key actors involved in public procurement.
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b>

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PPRA has in place the Capacity Building Strategy which consists of six core strategic interventions, namely: training; regulatory harmonization; oversight efficiency; professionalizing procurement; regularizing staffing levels in public procurement; and establishing support structures and systems which will maximize performance.

### Gap analysis

None

### Recommendations

None

### Sub-indicator 8(b)

#### Recognition of procurement as a profession

The country's public service recognises procurement as a profession:

#### Assessment criterion 8(b)(a):

Procurement is recognized as a specific function, with procurement positions defined at different professional levels, and job descriptions and the requisite qualifications and competencies specified.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The procurement is recognized as the specific functions as it has the established professional board (PSPTB) which deals with the procurement and supplies professionals. The Procurement and Supplies Professionals and Technicians Board (PSPTB) was established in 2007 through the Act of the Parliament No. 23 as the successor of both the National Board for Materials Management (NBMM) founded in 1981 through Parliamentary Act No.9, and Materials Management Caretaker Committee (MMCC). The board was established with the mission to oversee the development of Procurement and Supply Practices by Regulating the profession and conduct of professionals to achieve best value for money in Procurement and Supply Chain Management.

Procurement professionals are categorized as follows: (i) Procurement and Supply Technician is the registration category in the technician practice and employment system which has been designed to accommodate a person who has attained an Ordinary Diploma in Procurement and Supply Management (ii) Graduate Procurement and Supply Professional is the first category of professional registration category in the professional practice and employment systems. This category is eligible for any person who has a bachelor's degree in procurement and supply programs (iii) Graduate Procurement and Supply Auditor is category aimed to accommodate Graduate Procurement and Supply Professionals who assist auditing in procurement and supply related matters (iv) Approved Procurement and Supply Professional is the second level of the professional registration category in the professional practice and employment system. It is eligible for a person who has completed the CPSP professional examination and has at least three years of proven professional practice in the Graduate category (v) Approved Procurement and Supply Auditor; is eligible for any person who is registered as Approved Procurement and Supply Professional under this Membership Registration Criteria (vi) Authorized Procurement and Supply Professional is the highest level of professional registration category in the professional practice and employment system. It aims to encourage growth in Professionals by inspiring the need to work hard towards achieving professional competence. (vii) Authorized Procurement and Supply Auditor (viii) Affiliate Member is registered as auxiliary to procurement and supply professionals for the assignments which need other technical support as indicated in the PSPTB Membership Registration Criteria Revised Edition October 2022.

Section 37 PPA Cap 410 recognized procurement as the specific function by defining the specific unit which is to be established in each implementing agency to deal with procurement issues which is known as the Procurement Management Unit (PMU) that should be comprised of procurement specialists and other professionals and to be headed by the person with the professional qualifications and experience in procurement functions registered by the Procurement Professional Body.

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<b>Gap analysis</b> None
<b>Recommendations</b> None
<b>Assessment criterion 8(b)(b):</b> Appointments and promotion are competitive and based on qualifications and professional certification.
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b>  Appointment and promotion are competitive and based on qualifications and professional certification. The recruitment process for all public officers is done by the Public Service Recruitment Secretariat (PSRS) which is a government organ with a status of independent Department established by the Public Service Act No. 8 Of 2002 as amended by Act No. 18 of 2007.
<b>Gap analysis</b> None
<b>Recommendations</b> None
<b>Assessment criterion 8(b)(c):</b> Staff performance is evaluated regularly and consistently, and staff development and adequate training are provided.
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b>  Staff performance is evaluated on a regular and consistent basis and staff development and adequate training is provided to staff in compliance with the prepared staff development plan within the implementing agencies. All staff of the public bodies are evaluated through the <b>Open Performance Review and Appraisal System (OPRAS)</b> by the end of each financial year. This approach is used as a source for promoting officers from the lower grade to the higher grade depending on their performance level and other attributes which are to be met while carrying out the appraisal. OPRAS is also used as a basis for recommending specific capacity building initiatives to an individual person as it prescribes areas with gaps.
<b>Gap analysis</b> None
<b>Recommendations</b> None
<b>Sub-indicator 8(c)</b> <b>Monitoring performance to improve the system</b>
<b>Assessment criterion 8(c)(a):</b> The country has established and consistently applied a performance measurement system that focuses on both quantitative and qualitative aspects.
<b>Conclusion:</b> No gap

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

<b>Red flag:</b> No
<b>Qualitative analysis</b>  Each government entity is required to prepare a 5 years' strategic plan to indicate its framework with goals, actions, indicators with baseline, targets, and accountability both in qualitative and quantitative terms. In the strategic plan, the annual plans and budgets are derived in which the implementing agencies indicate specifically the key activities to be implemented and the budget amount to be used on implementing the planned activities. The five years strategic plan are prepared in line with the National Vision and the Country's Five Years Development Plan.
<b>Gap analysis</b> None
<b>Recommendations</b> None
<b>Assessment criterion 8(c)(b):</b> The information is used to support strategic policy making on procurement.
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b>  The Strategic plans prepared by the implementing agencies/ procuring entities have been designed in the manner that the information contained therein used to support strategic policy making strategies developed based on the assessment done regarding the performance indicator from the previous years. A mid-term review is undertaken based on the implementation of the first half of the strategic plan and used to support strategic policy. The process involves institutional assessment, stakeholder involvement, and thereafter approval process for the revised Strategic Plan document.
<b>Gap analysis</b> None
<b>Recommendations</b> None
<b>Assessment criterion 8(c)(c):</b> Strategic plans, including results frameworks, are in place and used to improve the system.
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b>  Strategic plans including results framework, are in place and used to improve the system.
<b>Gap analysis</b> None
<b>Recommendations</b> None
<b>Assessment criterion 8(c)(d):</b> Responsibilities are clearly defined.

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b>  Responsibilities are clearly defined in the Strategic plan which comprises of goals, actions, indicators with baseline, targets, and accountability/ responsible unit/ division. The National guidelines for the preparation of Strategic Plan requires each target to be assigned to a respective head for accountability and implementation.
<b>Gap analysis</b> No Gap
<b>Recommendations</b> None

## Pillar III. Public Procurement Operations and Market Practices

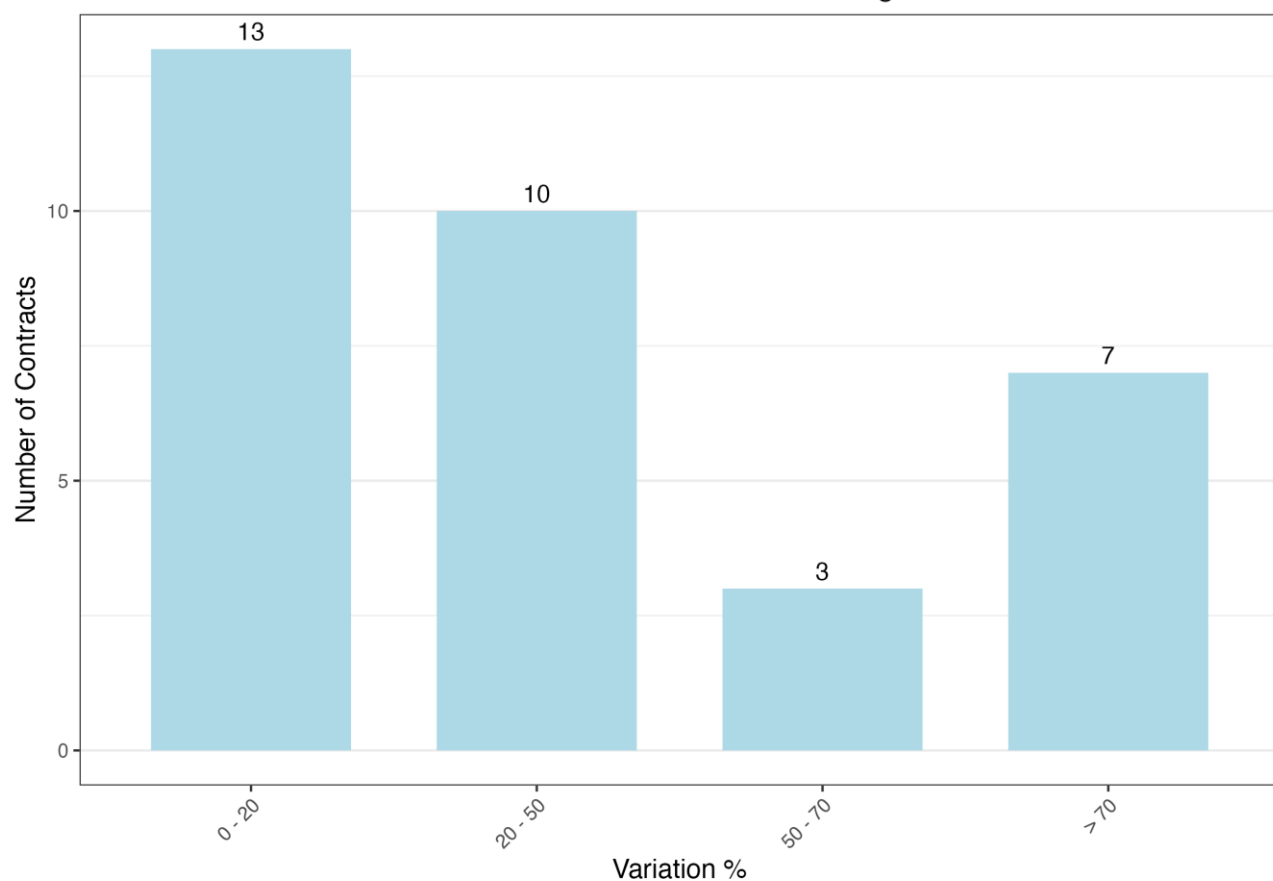
### Indicator 9. Public procurement practices achieve stated objectives

Sub-indicator 9(a) Planning
<b>Assessment criterion 9(a)(a):</b> Needs analysis and market research guide a proactive identification of optimal procurement strategies.
<b>Conclusion:</b> Substantive gap
<b>Red flag:</b> No
<b>Qualitative analysis</b>  Section 39 of PPA Cap.410 requires the user department to prepare a schedule of requirements for procurement as part of the budget process, which shall be submitted to the Procurement Management Unit (PMU) for consolidation and preparation of the annual procurement plan of the entity. This is the proactive approach in which the requirements are identified, consolidated, market approach analysis, and establish average rates for each specific item after carrying out the market survey.  During preparation of the procurement plan, the procuring entities are required to forecast their requirements for goods, services and works as accurately as is practicable with reference to services or activities already programmed in the annual work plan and included in the annual estimates. The forecasts are required to include an estimate of the optimum time to the nearest month of performance and completion of services. Further, the procuring entities are required to prepare their estimates based on prevailing market prices as provided by the Authority and updated from time to time (Regulation 69 of GN No. 446 of 2013 as amended). The price information used in most cases to prepare the cost estimates is historic, obtained from the previous engagements made on similar items and hence are not realistic. Most of the time they are underestimated when they are subjected to implementation. The Annual Performance Evaluation Reports for the Financial Years 2020/2021 and 2022/2023 provided that, among the major challenges discovered at the early stages of the project preparation is inadequate/unrealistic cost estimates attributed by inadequate market survey hence the final cost estimates arrived in most of the projects are not realistic.
<b>Gap analysis</b>

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

- Based on the results of the data analysis for the 100 sampled cases in 20 entities, the activity cost estimates for 33 contracts were higher than the actual contract amount. Of these 3 were awarded through single source.

Number of contracts for which the contract amount was higher than the estimated cost.

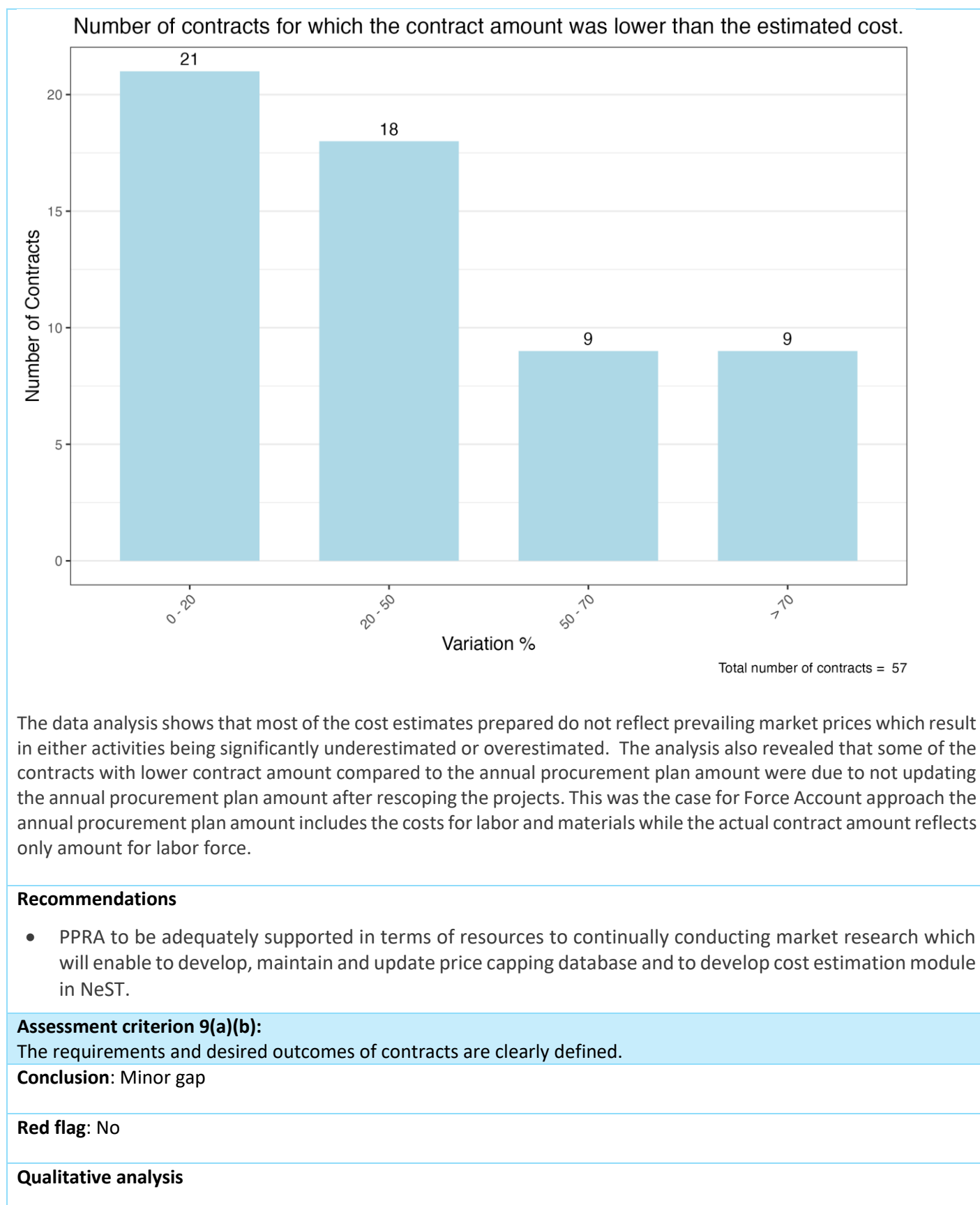


Total number of contracts = 33

Similarly, 57 of the analyzed contracts had the actual contract amount lower than the estimate, in some cases with more than 70 percent of the estimates. The analysis shows that some of the contracts had abnormally higher contract amount compared to the annual procurement plan amount. Further analysis revealed that in such cases the procurement plan reflected a budget amount for one year only while the contract amount comprised of the total scope of project running through multiple years. This is mostly the cases for the works contracts.



## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System



## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

The tendering documents issued by PPRA include standard templates of the forms of agreement used to engage the successful bidders after the completion of the tendering process. The templates clearly define the documents which forms part of the contract and order of priority on interpretation. The standard tender documents prepared contain sections/parts which are to be filled by the procuring with the specific information. As per the standard tender documents, areas which are to be customized including the Bid Data Sheet, the part of the technical requirements/Terms of reference and specific section for inserting the evaluation and qualification criteria. Also, the contract agreement form, the general and special conditions of contract form part of the tender document. Several challenges have been reported on the adequacy preparation of the tender document through the procurement audits carried out by PPRA to the procuring entities. Approximately one-third of the procuring entities are reported to have weaknesses regarding the adequate preparation of bidding documents. Through the procurement audits conducted in the FY 2021-2022, 74 entities equivalent to 31.8 percent of the audited entities (232) prepared tender documents with anomalies. The anomalies were observed in 260 tenders with an estimated value of TZS 6.27 trillion. Anomalies in the preparation of tender documents led to failure by bidders to submit responsive bids, complicated the evaluation process.

### Gap analysis

The outcomes of the audit conducted by PPRA in the FY 2021/22 indicated that approximately 32% of the audited procuring entities have weaknesses inadequate preparation of bidding documents, including the definition of the requirements and outcomes. This affects competition and can also result in project cost overruns.

### Recommendations

PPRA to strategize on building the capacity of the key players (Procurement Management Units and User Department) on preparation of adequate tender documents.

### Assessment criterion 9(a)(c):

Sustainability criteria, if any, are used in a balanced manner and in accordance with national priorities, to ensure value for money.

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

Section 64(2) of PPA Cap 410 provides that, in circumstances where there is need to achieve certain social objectives by calling for the participation of local communities including special groups the procuring entity shall set aside a specific percentage of the procurement volume in accordance with procedures set out in the regulations. Regulation 30C (1) of GN No. 333 (amendment) of 2016 necessitate procuring entities to designate 30% of their annual procurement for goods, works, and services to special groups. This is part of the national sustainability initiatives aimed at reducing the unemployment rate, alleviating poverty, and empowering marginalized groups such as women, elders, youths, and persons with disabilities. Further, Reg. 241 of the Public Procurement Regulations of 2013 as amended in 2016 required procuring entity to avoid wherever possible the procurement of chemicals, pesticides or other goods which are known to have or suspected to have harmful effects on the health of the population, the environment, domestic animals, wildlife, and flora.

To ensure that procuring entities comply with this legal requirement of setting aside 30% of their annual procurements volume to special groups, PPRA decided to include the requirement as one of the compliance audit indicators whereas PE are assessed on their compliance on this requirement and in case of non-compliance, PEs are penalized to that effect.

# Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

The procurement audit carried out by PPRA in the FY 2020/2021 revealed that only a few PEs adhered to the legal requirement of setting 30% of their annual procurement volume to special groups. Most of the audited PEs are not complying with the legal requirements of setting aside 30% of their annual procurements to special groups as required by Regulation 30C of GN. No. 333 of 2016 hence, non-compliance which denies the promotion of special groups and undermines socio-economic development. Out of 86 audited PEs for FY 2020/2021 assessed on this aspect; 2 PEs equivalent to 2 percent of the audited PEs complied fully, 3 PEs equivalent to 4 percent of the audited PEs set aside below 30% of their annual procurement to special groups; and 81 PEs equivalent to 94 percent did not set aside 30% of their annual procurement to special groups. The challenge which was observed during the audit for the PEs failure to implement the legal requirements on setting aside 30 percent for special groups is due to lack of knowledge by PEs on PPA, 2011 requirements regarding the matter.

## Gap analysis

The analysis shows that only 2% of procuring entities comply with the legal requirement of setting 30% of their annual procurement to special groups. Although the environmental aspect is mentioned in the Public Procurement Regulations, the enforcement mechanism needs to be enhanced.

## Recommendations

- PPRA to continue conducting capacity building to procuring entities and other stakeholders on the requirement to set aside 30 percent of its annual procurement volume for special groups.
- PPRA to make follow up through electronic procurement system and procurement audits conducted each year to see whether PEs has set aside 30 percent of their annual volume of procurement to special groups.
- PPRA to be adequately supported in terms of resources to set mechanism, build capacity and awareness on sustainable procurement.

## Sub-indicator 9(b) Selection and contracting

### Assessment criterion 9(b)(a):

Multi-stage procedures are used in complex procurements to ensure that only qualified and eligible participants are included in the competitive process.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

Multi-stage procedures are used in complex procurements to ensure that only qualified and eligible participants are included in the competitive process. The multistage processes include request for pre-qualification and invitation for initial selection to contractors as for the case of the design and build contracts (mostly for the procurement under donor funded projects) where IPF regulations apply. For the case of Consultancy services, selection of the consultant may commence from the stage of the request for expression of interest where shortlist is prepared. The multi-stage procedures (BAFO, two stage tendering) are also clearly defined in the Procurement Regulations of 2013 as amended in 2016 through Reg. 153,154, and 155.

## Gap analysis

None

## Recommendations

None

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

### Assessment criterion 9(b)(b):

Clear and integrated procurement documents, standardized where possible and proportionate to the need, are used to encourage broad participation from potential competitors.

**Conclusion:** Minor gap

**Red flag:** No

### Qualitative analysis

Section 70 of PPA, CAP 410 requires procuring entities to use the appropriate standard tender documents issued by PPRA for the procurement in question (i.e., goods, works, non-consultancy and consultancy services). Further, Section 70(2) provides that; the tender documents shall be worded to permit and encourage competition and such documents shall set forth clearly and precisely all the information necessary for prospective tenderers to prepare tender for the goods, services and works to be provided. The standard tender documents issued by PPRA contain sections/parts which are to be completed by the procuring entities with the specific information as being guided by the guiding notes provided in each part detailing the specific information to be filled in. As per the standard tender documents, areas which are to be customized including the Bid Data Sheet, the part of the technical requirements/Terms of reference and specific section for inserting the evaluation and qualification criteria. Also, the contract agreement form, the general and special conditions of contract forms part of the tender document. During the advertisement, the tender document comprised with the bidding sections together with the contract sections are all disclosed to bidders to enable them to have a clear picture of the bidding requirements and the contractual provisions. The relevant standard tender documents to be used by the procuring entities have been uploaded onto the PPRA website and can be accessed at no cost by all interested parties. They cover procurement of goods, works, consultancy services, non-consultancy services, disposal of assets and supply installation, and commissioning of plants and equipment.

In case the relevant standard tender documents are not in place, the procuring entity has the room for using the standard tender documents acceptable to the Authority. This is pursuant to Regulation 184 (5) of PPR 2013 as amended in 2016. The tender documents which are not standard shall obtain approval for use when submitted to PPRA and reviewed. Most of the procuring entities managed to comply with the requirement of using the standard tender documents prepared by PPRA while carrying out procurement and some few procuring entities constrained with the adequate capacity to customize the standard tender documents. The assessment on the adequacy of the prepared tender documents was conducted through the procurement audits which were carried in the FY 2021-2022 and revealed that 74 entities equivalent to 31.8 percent of the audited entities (232) prepared tender documents with anomalies. The major observed anomalies included the use of non-standard tender documents, inadequate customization of data sheets, incomplete tender documents, failure to indicate application of margin and exclusive preference for eligible tenders, and technical requirements not clearly stated.

### Gap analysis

Approximately 32% of procuring entities do not have adequate capacity to customize the standard tender documents.

### Recommendations

PPRA to be adequately supported in terms of resources to build capacity of the key players (Procurement management Units and User Department) on preparation of adequate tender documents.

### Assessment criterion 9(b)(c):

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

Procurement methods are chosen, documented, and justified in accordance with the purpose and in compliance with the legal framework.

**Conclusion:** Minor gap

**Red flag:** No

### Qualitative analysis

Section 64 (1) of PPA, CAP 410 (R.E.2022) requires procuring entities engaging in the procurement of goods, works, services, or disposal by tender to apply competitive tendering using methods indicated in the regulations depending on the type and value of the procurement or disposal. Further, Regulations 253 -257 and the Eleventh Schedule and Regulations 258 - 269 of GN. No. 446 of 2013 as amended provides the procedures for Selection and employment of consultants, the methods of selection and limit of application per contract for consultancy services. In case the non-competitive procurement methods are to be used (as for the case of single source procurement) proper justification for the use of non-open tendering procedures should be provided (Regulations 159-161). Regulations have clearly provided guidance on the basis or grounds/ circumstances in which the procuring entities may use as a justification while opting for single source than using the open competitive procurement methods. Although the grounds expressly stated in the procurement regulations, most of the procuring entities are reported to use the Single Source procurement method without valid justifications. 79 contracts that were analyzed were awarded using competitive procedures, international or national. The different types of procedures are captured in the table below:

Market approach	# of contracts
FA	4
ICB	12
ICS	2
MCQ-FWC	4
NCB	37
NCQ	1
RFQ	6
RICB	3
RNCB	9
RNCS	1
SS	21

Out of the 100 sampled cases, 21 cases were carried out through Single Source procurement method, but no justifications were evidenced in the files archiving the procurement documents for the three (3) sampled cases out of 21 cases.

Overall, the international market was approached in 17 contracts of the 100 analyzed under the sample review.

Market – Competition	# of contracts
International – Competitive	17
National – Competitive	62
National – Non-Competitive	21

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

### Gap analysis

Competitive tenders are generally preferred; however, the Single Source selection was on 21 cases amounts to about 23% of the total estimated value of the analyzed sample. At the same time, 3 out of the 21 cases which were implemented through Single Source procurement method lacks substantial or no justifications for their use, an incidence which may impair effective competition intending to achieve value for money.

### Recommendations

Procuring entities to give priority on competitive procurement methods for widening competition and achieve the best value for money.

Develop a suppliers' module that will provide automated post-qualification data for bid evaluation and help in market analysis.

### Assessment criterion 9(b)(d):

Procedures for bid submission, receipt and opening are clearly described in the procurement documents and complied with. This means, for instance, allowing bidders or their representatives to attend bid openings, and allowing civil society to monitor bid submission, receipt and opening, as prescribed.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

Section 73 of PPA Cap. 410 provides procedures for receiving and opening of bids. The Secretary of the tender board is required to receive tenders using procedures set out in the regulations made under the Act. The secretary is further required to give each tenderer a receipt showing the time and the date that each tender was received, and any tender received after the deadline shall be returned unopened to the tenderer. Also, all tenders submitted before the deadline for submission shall be opened in public, in the presence of the tenderers or their representatives and other parties with an interest in the tender proceedings. In line with the PPA Cap. 410 provisions, the tender documents issued by PPRA clearly prescribes procedures for bid opening through the notice for invitation for bids and the bid data sheet.

The sample analysis shows that, in 92 percent of cases the process was conducted in full compliance with bidding documents and publication requirements. Also, the opening session was attended by bidders' representatives in 95 percent of the cases, however civil society's involvement in the procurement process is recorded for only one contract of the sample analysis.

For all public tenders which are advertised through NeST, tender opening is conducted online, and all bidders participating in the bid together with the public in general have the access to all information related to the bids opening exercise.

### Gap analysis

No gap

### Recommendations

None

### Assessment criterion 9(b)(e):

Throughout the bid evaluation and award process, confidentiality is ensured.

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<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<p><b>Qualitative analysis</b></p> <p>Section 73(5) of PPA Cap. 410 provides that, after the public opening of tenders, information relating to examination, clarification and evaluation of tenders and the recommendations concerning awards shall not be disclosed to tenderers or other persons not officially concerned with the process until the notice of intention to award a contract is notified to tenderers who participated in the tender process. The same provisions are incorporated in the standard tendering documents issued by PPRA. During the assessment, there was no evidence of any breach of confidentiality requirements (including any complaints).</p> <p>For all public tenders which are advertised through NeST, tender opening is conducted online, and all bidders participating in the bid together with the public in general have the access to all information related to the bids opening exercise.</p>
<p><b>Gap analysis</b> No gap</p>
<p><b>Recommendations</b> None</p>
<p><b>Assessment criterion 9(b)(f):</b> Appropriate techniques are applied, to determine best value for money based on the criteria stated in the procurement documents and to award the contract.</p>
<b>Conclusion:</b> Minor gap
<b>Red flag:</b> No
<p><b>Qualitative analysis</b></p> <p>Section 72 of PPA Cap. 410 provides that, the basis for tender evaluation and selection of the successful tenderer shall be clearly specified in the tender document. The tender documents shall specify factors, in addition to price, which may be considered in evaluating a tender and how such factors may be quantified or otherwise evaluated. Further, Regulation 203(1) of GN 446 as amended requires procuring entities to conduct evaluation consistent with the terms and conditions prescribed in the tender document using criteria explicitly stated in the tender document.</p>
<p><b>Gap analysis</b></p> <p>Some of the procuring entities are yet to apply the appropriate techniques (such as technical criteria and compliance to social and environmental requirement) specified in the tender document or setting out the criteria which will enable to have the best bidder to enhance achieving value for money to the awarded contracts. This is evidenced by the special procurement audit outcomes for some of the selected projects carried out by PPRA and reported in the APER for FY 2022/2023. The special audit outcomes pointed out some deficiencies in tendering process which are possibly to affect achieving value for money in some contracts entered between the procuring entities and the suppliers, service providers and contractors. Some contracts were awarded to non-responsive bidders</p>

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due to the use of tender documents which were not properly prepared, and evaluating tenders using the criteria which were not provided in the tender document.

### Recommendations

PPRA to put more efforts on building capacity to PMU and user departments on preparation of tender documents and carrying out tender evaluation.

### Assessment criterion 9(b)(g):

Contract awards are announced as prescribed

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

Sections 60(5-7) of PPA Cap. 410 provides that, where no complaints have been lodged, the accounting officer shall issue a notice of acceptance to the successful tenderer. Pursuant to Section. 35(3) of PPA Cap. 410, the acceptance of a tender shall be communicated in writing by a registered post or electronically to a successful tenderer by the accounting officer. Where a tender, offer or proposal has been accepted by the accounting officer, the procuring entity, and the person whose tender, offer or proposal has been accepted shall enter a formal contract for the supply of goods, provision of services or undertaking of works/services.

### Gap analysis

None

### Recommendations

No recommendation

### Assessment criterion 9(b)(h):

Contract clauses include sustainability considerations, where appropriate

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

Regulation 116(1d) and 224 (h) of GN NO. 446 of 2013 (as amended) provides that, for tenderer to qualify for participation in procurement proceedings or to enter a procurement contract, must fulfill their obligations to pay taxes (economic sustainability), comply with employment requirements (social sustainability), and adhere to environmental and health safety standards (environmental sustainability). During the tender evaluation, all Tenderers are assessed to determine whether they have met all the required criteria prior to contract awards.

As for the case for the procurement of works, part 2 of the standard tender document for large works clearly provides the Environmental and Social (ES) requirements as one of the qualification criteria. Also, this requirement is clearly shown in the Conditions of Contracts.

### Gap analysis

No gap

### Recommendations

None

### Assessment criterion 9(b)(i):



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Contract clauses provide incentives for exceeding defined performance levels and disincentives for poor performance

**Conclusion:** Minor gap

**Red flag:** No

### Qualitative analysis

Contract clauses do not provide for incentives for exceeding the defined performance levels. Contrary penalties are imposed, including the imposition of liquidated damages on delaying in delivery of goods or delays in works execution or rendering service until the percentage of the performance guarantee is exhausted and later terminate the contract. Penalties may go further to the step of debarment of the firm due to non-performance in case it will be proved that the non-performance of the contract are on the supplier's/contractor's/ service provider's side. Based on PPRA audit results for FY 2021/2022, four firms were debarred due to failure to implement the procurement contract and hence termination.

Even though the contract penalties are well described in the signed contracts, they are not adequately adhered by the procuring entities. Several incidences have been reported on failure to institute provisions to the non-performing contractors/consultants/service providers/ suppliers. Among critical issues which were addressed in the special audits conducted to 11 entities for FY 2021/2022 which were reported in the APER was failure by the audited entities to impose liquidated damages on delayed deliveries to a tune of TZS. 38.99 million.

### Gap analysis

The contractual provisions are not adequately adhered by the procuring entities on instituting penalties in case of non-performance by the contractors/consultants/service providers/suppliers as noted by the PPRA audits.

### Recommendations

PEs to adhere to the contractual provisions set out in the signed contracts while managing the contract. In case of non-performance penalties should be instituted and provided in the contract.

### Assessment criterion 9(b)(j):

The selection and award process is carried out effectively, efficiently and in a transparent way\*

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

Section 72 of PPA Cap 410 provides that, the basis for tender evaluation and selection of the successful tenderer shall be clearly specified in the tender document. The tender documents shall specify factors, in addition to price, which may be considered in evaluating a tender and how such factors may be quantified or otherwise evaluated.

Needs satisfaction arrived when the requirements are obtained within the intended time and vice versa. In the procurement process, there are set of activities which are to be accomplished to achieve the intended goal. Delays in accomplishing some responsibilities in one stage has an adverse effect on timely accomplishment of responsibilities in the following stage. Thus, time efficiency is a critical factor to consider. During the financial year 2020-2021, PPRA through procurement audits carried out an assessment on efficiency of the procurement processes

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in acquiring goods, services and works to establish if there were unnecessary delays and their causes to recommend appropriate measures for improving efficiency. The assessment was done by comparing the standard time provided in the eighth schedule of the Public Procurement (Amendment) Regulations GN. No. 333 of 2016 and best practice time they established. The exercise involved 421 tenders in 64 entities and came up with the following specific observations:

- (a) According to the public procurement law and best practice, on International Competitive Bidding (ICB), the processing time is not supposed to exceed 140 days. The exercise revealed that the average time spent was 212 days which is excessive.
- (b) On Single source procurement method (SS), processing of single source tender is not supposed to exceed 103 days according to the public procurement law and best practice. The assessment revealed that an average time of 133 days was spent which is considered excessive.
- (c) On National Competitive Bidding (NCB), the processing should not take more than 133 days. However, the assessment revealed that an average of 139 days was spent and there were some entities spend between 200-325 days all deemed excessive.
- (d) According to the public procurement law and best practice, an NCQ method should not use more than 123 days. It was, however, discovered, that 104 quotations took an average of 110 days while 32 quotations used 178 days and 3 quotations had excessive delays with an average of 234, 332 and 449 days, respectively.

As per the audit outcomes, the major causes for the excessive delays were delays on issuance of funds or partial disbursement of funds, or unavailability of funds leads to poor timing of initiating a procurement process in UDs and getting AO's approval; delays in preparing technical specifications, terms of reference and statement of requirements by UDs before approval is granted; and delays in approving tender documents and tender notices before inviting tenders. Another cause of significant delays was inadequate preparation of bid documents resulting into frequent requests for clarifications and causing extension of submission of proposals/ bids and delays in signing the contracts.

### Sample assessment:

On a total number of 20 PEs sampled, for all 100 cases, the procurement process was generally conducted in compliance with the procurement procedures. About 98 percent of the reviewed contracts were successful and the assessment showed that the process was conducted in full compliance in 92 percent of the cases.

### Quantitative analysis

*\*Recommended quantitative indicators to substantiate assessment of sub-indicator 9(b) Assessment criterion (j):*

- average time to procure goods, works and services  
number of days between advertisement/solicitation and contract signature (for each procurement method used)
- average number (and %) of bids that are responsive (for each procurement method used)
- share of processes that have been conducted in full compliance with publication requirements (in %)
- number (and %) of successful processes (successfully awarded; failed; cancelled; awarded within defined time frames)

Source for all: Sample of procurement cases.

### Processing times:

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The analysis of the 100 sample contracts indicates delays in the planning and award of tender, the average time to award being 195 days. Consultancy contracts and international tenders take the most to award (from invitation to bid to contract signature), more than 300 days.

Procurement category	Award time (days)
Consulting services	310.9
Goods	163.4
Non-consulting services	110.9
Works	171.9

In terms of market approach, international ones take longer than national.

Market	Procurement category	Award time (days)
International	Consulting services	393.3
International	Goods	200.7
International	Works	308.2
National	Consulting services	283.5
National	Goods	151.7
National	Non-consulting services	110.9
National	Works	149.1

The duration per market approach and procurement category is presented in the below table.

Market – Competition	Procurement category	Award time (days)
International – Competitive	Consulting services	393.3
International – Competitive	Goods	200.7
International – Competitive	Works	308.2
National – Competitive	Consulting services	365.4
National – Competitive	Goods	159.1
National – Competitive	Non-consulting services	87.7
National – Competitive	Works	159.5
National - Non-Competitive	Consulting services	218
National - Non-Competitive	Goods	123.8

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National - Non-Competitive	Non-consulting services	168.8
National - Non-Competitive	Works	55.7

By market approach, ICB, ICS and RICB take more than 250 days. Single Source selection also takes a lot of time, more than 160 days.

Market approach	Award time (days)
FA	43.5
ICB	299.4
ICS	273
MCQ-FWC	85
NCB	236.9
NCQ	65
RFQ	82.4
RICB	322
RNCB	88.3
RNCS	29
SS	167.5

By main stage of procedure, most of the time is spent on evaluating the offers/proposals, with an average of 154 days. Consulting services take about 274 days to evaluate; international and national competitive bidding takes an average of 217 and 144 days respectively to be evaluate.

Procurement category	Evaluation time (days)
Consulting services	273.9
Goods	122.5
Non-consulting services	87.4
Works	121.3

Market	Procurement category	Evaluation time (days)
International	Consulting services	307.33
International	Goods	117.16
International	Works	227.6
National	Consulting services	262.83
National	Goods	124.21
National	Non-consulting services	87.42

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National	Works	103.6
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By selection method, ICB, ICS and NCB take the longest to be evaluated.

Market approach	Evaluation time (days)
FA	41
ICB	213.2
ICS	172
MCQ-FWC	72.7
NCB	187.4
NCQ	59
RFQ	62.6
RICB	261
RNCB	72.8
RNCS	21
SS	145.6

Consulting services seem the most complex procurement category as both international competitive and national competitive take the longest time to be evaluated.

Market - Competition	Procurement category	Evaluation time (days)
International - Competitive	Consulting services	307.33
International - Competitive	Goods	117.17
International - Competitive	Works	227.6
National - Competitive	Consulting services	334
National - Competitive	Goods	132.87
National - Competitive	Non-consulting services	72.1
National - Competitive	Works	110.37
National - Non-Competitive	Consulting services	205.9
National - Non-Competitive	Goods	91.75
National - Non-Competitive	Non-consulting services	125.75
National - Non-Competitive	Works	42.67

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Bidding stage (from invitation to submission of bid) takes about 40 days in average; bids for works contracts are submitted within an average of 49 days.

Procurement category	Average time to bid (days)
Consulting services	37
Goods	40.9
Non-consulting services	22.4
Works	49.3

### Competition:

The overall average number of received bids for the 100 sample contracts was 5.7. Works contracts and goods tend to receive more interest from the market (with an average of 6.6 bids and respectively 6.9 bids). Both international and national competitive tendering processes are well received by the market, with an average of about 8 bids. Restrictive tenders receive significantly less bids, about 2 on average.

The overall average number of responsive bids is 3.47. The percent of accepted bids looks high with some exceptions noted below.

Procurement category	# of responsive bids	% of responsive bids
Consulting services	2.7	84.1%
Goods	3.8	73.2%
Non-consulting services	2.7	84.5%
Works	4.1	70.5%

### Complaints system:

5 contracts of the 100 sampled ones received complaints (7 complaints in total). 5 were solved at the procuring entity level and 2 at the PPAA level

### Gap analysis

Delays persist in procuring entities while processing the procurements. The assessment conducted by PPRA through the procurement audits in the FY 2020-2021 and 2021-2022 depicted that there is no single procurement method used by the procuring entities observed to have no delays meaning that there is a need to establish strategies on improving the procurement processing time. As per the audit outcomes, the major causes for the excessive delays were delays on issuance of funds or partial disbursement of funds, or unavailability of funds leads to poor timing of initiating a procurement process in UDs and getting AO's approval; delays in preparing technical specifications, terms of reference and statement of requirements by UDs before approval is granted; and delays in approving tender documents and tender notices before inviting tenders. Another cause of significant delays was inadequate preparation of bid documents resulting into frequent requests for clarifications and causing extension of submission of proposals/ bids and delays in signing the contracts.

The analysis of the 100 sampled cases indicates the delays from the planning to contract award stage where the average time to award being 195 days. The Consultancy contracts and international tenders took more time

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(invitation to contract signing) for more than 300 days. Further, the Single Selection methods used more than 160 days. Generally, most of the time was spent on evaluation of tenders/proposals with an average time of 154 days in which the Consulting services took about 274 days.

### Recommendations

- (i) Increase the efficiency in average processing time for the procurement cycle – Baseline 195 days, Target: 150 days 2027 and 120 days 2028).
- (ii) Develop a suppliers' module that will provide automated post-qualification data for bid evaluation and help in market analysis.
- (iii) Develop an automated bid evaluation module.

### Sub-indicator 9(c) Contract management

#### Assessment criterion 9(c)(a):

Contracts are implemented in a timely manner.\*

**Conclusion:** Substantive gap

**Red flag:** No

#### Qualitative analysis

Regulation 114 of GN No. 446 as amended provides that, procuring entity is responsible for the effective management of any procurement of goods, services or works for which it is undertaking and shall monitor the costs and timely delivery of goods and services in the correct quantities and to the quality specified in each contract; monitor the progress and timely completion of works in accordance with the terms of each contract; take or initiate steps to correct or discipline deviations from observance of contract condition; and ensure that the responsibilities imposed on it by the contract are fully discharged.

The contracts which are prepared by most of the procuring entities have contractual provisions which are clearly defined but they are not well managed during the implementation. Repetitive cases on delays in completion of contracts have been reported through the performance audits conducted and reflected in PPRA's Annual Performance Evaluation Reports. The performance audits results for FY 2020-21, 2022-23 and 2023-24 indicated that, there were several reasons which trigger the timely implementation of contracts which sometimes demand time extensions beyond the original planned time provided in the signed contracts. Among the factors mentioned include delays in site handing over/possession, inadequate designs which may trigger design reviews prior to further project execution, and delays on issuance of advance payments upon the submission of requests. Also, several contract implementation issues have been pointed out in the audit reports prepared by the Controller and Auditor General Office (Supreme Audit Institutions) for the three consecutive financial years. Among the issues reflected in the report including delays on the engagement of the project supervisor for the average number of 247 days from the effective date of project execution (FY 2022-23) which unnecessarily lengthens the contract duration.

#### Quantitative analysis

*Recommended quantitative indicator to substantiate assessment criterion (a): time overruns (in %; and average delay in days).*

Time overrun in contract in % and days (based on delay in days)	
Average time overrun percentage	131.3%
Average time overrun (days)	279.6

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*Source: Sample of procurement cases.*

### Gap analysis

Repetitive cases of delays in implementing the contract signify inadequate management of the signed contracts. The performance audit reports prepared by PPRA had good reflection on inadequate management of the signed contracts by the procuring entities. As per the audit report, there are several reasons which trigger delays of implementation of contracts which sometimes demand time extensions beyond the time provided in the signed contracts. Among the factors mentioned include delays in site handing over/possession, inadequate designs which may trigger design reviews prior to project execution, and delays on issuance of advance payments upon the submission of requests. Delays issues have been supplemented by the audit report from the Supreme Audit Institution (Controller and Auditor General) regarding delays on the engagement of the of the project supervisor for the average number of 247 days from the effective date of project execution (FY 2022-23) which unnecessarily lengthens the contract duration.

The sample analysis indicates an average delay in the contract implementation of more than 130 percent compared with the initial contract duration. This usually indicates a deficient planning of the procurement process.

According to the survey results, the main challenges experienced by the private sector representatives during contract implementation are the delays in payments (21.5 percent), delays due to lack of access to bank loans (12.2 percent) and lack of funding to complete a contract (11.8 percent).

### Recommendations

Adequate market research and planning by conducting thorough stakeholder and risk analyses, including a review of the external factors which may impact the procurement process, both during tender evaluation and contract implementation, are critical to address the emergent problems in due time and limit the delays. This is relevant for high value, critical and complex contracts. The PPRA can develop guidance notes and instruments to inform the planning stage and complement the legal provisions. In addition,

- (a) Designs should adequately be prepared by the implementing agencies,
- (b) Site handing over should be done timely by the implementing agencies,
- (c) Advance payments should be settled timely by the implementing agencies.

### Assessment criterion 9(c)(b):

Inspection, quality control, supervision of work and final acceptance of products is carried out. \*

**Conclusion:** Minor gap

**Red flag:** No

### Qualitative analysis

For the case of goods contracts, Regulation 242 of GN no. 446 as amended provides that a procuring entity shall obtain reports of the receipt of goods which are delivered against contracts and shall promptly authorize payment to the supplier. For the case of the services and works contracts, Regulations 243 of GN. No. 446 as amended provides that, a procuring entity shall monitor the service provider or contractor's performance against the statement of requirements or schedule of works stated in the contract, by means of daily, weekly, or monthly reports from the procuring entity's supervisor responsible for the services or works.



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### Quantitative analysis

*Recommended quantitative indicator to substantiate assessment criterion (b): quality-control measures and final acceptance are carried out as stipulated in the contract (in %):*

*Source: Sample of procurement cases.*

The percentage of the adherence of the quality control measures and the final acceptance as stipulated in the contract: 64%

### Gap analysis

Lack of effective supervision and management of the works by the project managers/ supervisors including deduction of retention money contrary to contract requirements, ineffective management of the performance securities and insurance bonds for works contracts. Also delays delivery of goods beyond the time stipulated in the signed contracts or issued LPOs, lack of progress and/or inspection and test reports/certificates; non-appointment of supervisors for non-consultancy contracts; and non-appointment of goods inspection and acceptance committees. Further outcomes of the analysis of the sampled cases indicated that, in 64 percent of the analyzed contracts the quality control measures, and final acceptance were carried out as per contract. At the same time, the outcomes of the assessment revealed that, on quality control aspect, the goods inspection reports did not comprehend the level of compliance to the technical specifications provided in the contracts and instead were confirming only the quantity of the ordered goods.

### Recommendations

- (a) Effective administering of the contractual provisions during contract implementation.
- (b) Building capacity to the key stakeholders on contract management issues.

### Assessment criterion 9(c)(c):

Invoices are examined, time limits for payments comply with good international practices, and payments are processed as stipulated in the contract.

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

The Procurement Regulations 2013 as amended in 2016 (Regulation 44) requires payments to be made timely to the tenderers as a means of supporting the growth of the local firms. Further, the standard tender documents issued by PPRA provides the time limit for paying suppliers/ contractors/ service providers after fulfilling their contractual obligations and submission of payment invoices. The General Conditions of Contract (GCC) of the standard tender documents issued by PPRA require timely settlement of payments unless the contractor/ service provider/ supplier shall be entitled to receive financing charges compounded monthly on the amount unpaid during the period of delay.

In line with the Public Procurement requirements, the standards periods for processing invoices are provided by the Public Finance Act and Regulations. Invoices are processed along with the required Local Purchase Order (which can be generated from the e-government payment system known as MUSE) and the relevant delivery certificate and inspection reports. Payments are carried out by respective procuring entities (PEs) upon internal approval of invoices

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or progress reports. Even though clear mechanisms for payments are in place, timely payment of invoices have been a major concern to suppliers, service providers and the contractors. Several bureaucracies in the approval processes that are not related to financial constraints have been observed within the procuring entity and others which are not within the mandate of the procuring entity which require clearance by the Ministry responsible for Finance. The long communication channel on the approval process together with untimely decision making by the responsible mandate after receiving payment claims unnecessarily lengthens the payment process. Due to delays in payments interest charges have been claimed and paid by the implementing agencies as being evidenced through CAG audit report for FY 2022/23 whereby payments were delayed by one MDA resulted into accumulated interest charges of TZS 34.82 billion. Also, the CAG Report for FY 2022/23 identified (7) LGAs with outstanding contractor claims due to delays in disbursement by the Treasury. The total value of the outstanding claims was TZS 2.22 billion, with delays ranging from 55 to 270 days following approval.

For the case of donor funded projects, the Government of Tanzania (GoT) through the Ministry of Finance issued Treasury Circular No.2 of 2019 on Procedures for Requesting for and Transferring Donor Funds Direct to The Development Projects (famously D-Fund System) with Ref. No. EB/AG/485/01/Vol. XI dated 4<sup>th</sup> September 2019 aimed at managing better and controlling funds provided by donors. This went hand in hand with the introduction of the GoT's locally developed accounting system namely, MUSE. With this circular and requirements of the MUSE system, the government changed the process of managing donor funded project funds from the semi-autonomous, where project teams made all payments without direct involvement of the MoFP to the current system where the MoF (MoFP by then) approves both requests for disbursements and requests for payments. Not only MoF, but sector ministries have a role under the new system whereby projects can only submit requests to their parent ministry which will now forward them to MoF with a cover letter signed by the ministry's respective PS. Then, the request goes to the MoF where it goes through the Internal Auditor General unit; then department of external finances and lastly the budget department which will finally forward the request to the PST for approval. This process is for both, disbursement, and payment as well, and takes an average of 45 days for payments while a few can go less than that and some go well beyond 3 months. Apart from delaying suppliers/contractors/consultants working with projects; this hugely delays implementation of project activities and achievement of PDOs. Most projects that should have closed in 2021, 2022, 2023 and 2024 have been extended or requested to extent for example DMDP1, DUTP, TIRP1, DMGP, TAZA, TREEP being few cases mentioned.

### Quantitative analysis

*Recommended quantitative indicator to substantiate assessment criterion (c): invoices for procurement of goods, works and services are paid on time (in % of total number of invoices)*

*% of contracts where invoices are Paid within Contractual Period*

*Source: Sample of procurement cases.*

The percentage of contracts where invoices were paid within the contractual period was 66.7%

### Gap analysis

Through the sampled cases, delays observed in settling the contractor's claims through the certificates which were initiated and approved by the project manager (project consultant) beyond the required time provided in the signed contracts. Consequently, delays have penalties on interest charges for delays to which if were effectively adhered, PEs would not incur extra costs unnecessarily.

According to the analysis carried out in the sampled 100 cases, only 66.7 of the sampled contracts invoices were paid within the contractual period. In some of the Consultancy assignments, payments were not aligned with the contract

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duration and deliverables. Based on the prepared payments schedules, fees were to be completely exhausted before submitting final deliverables and closure of the contract.

### Recommendations

- (a) Effective administering of the contractual provisions during contract implementation.
- (b) Building capacity to the key stakeholders on contract management issues.

### Assessment criterion 9(c)(d):

Contract amendments are reviewed, issued, and published in a timely manner. \*

**Conclusion:** Minor gap

**Red flag:** No

### Qualitative analysis

Regulation 110 (5) of the Public Procurement Regulations 2013 as amended in 2016 provides that, in case the execution of contract has commenced, the cost increases involving all changes which alter the scope, extent or intention of such contracts shall have the prior written approval of the tender board.

### Quantitative analysis

*Recommended quantitative indicator to substantiate assessment criterion (d): contract amendments (in % of total number of contracts; average increase of contract value in %).*

- % of contract amendments at Cost: 17%
- % of contract amendments at No Cost: 26.5%
- % of contracts for which the contract value is higher at closure: 22.4%
- Average contract increase (in TZS million): 1,806.3

*Source: Sample of procurement cases.*

### Gap analysis

The outcomes of the analyzed samples indicated that 17% of sampled contracts had contract amendment at cost while 26.5% had contract amendment without costs. The contract which had amendment at cost resulted to 22.4% increased in value at closure stage.

### Recommendations

- (a) Effective contract management and administering of the contractual provisions during implementation.
- (b) Building capacity to the key stakeholders on contract management issues.
- (a) NeST to be fully operationalized to enable archiving both procurement and contract implementation documents.

### Assessment criterion 9 (c) (e):

Procurement statistics are available, and a system is in place to measure and improve procurement practices.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

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As being provided in assessment criteria 5(b) (c), among the functions which are to be exercised by PPRA as per Section 9(1) of PPA Cap. 410 is to organize and maintain a system for the publication of data on public procurement opportunities, awards, and any other information of public interest. PPRA through National Electronic Procurement System (NeST) manages to provide wider access to the interested parties to obtain information related to procurement. NeST is currently used to carry out all procurement and archiving all procurement information from the stage of initiating the requirement by the user department to the stage of managing the contract. The public have open access to information relating to procurement (advertised tenders, awarded tenders, bidders awarded contracts).

### Gap analysis

None

### Recommendations

None

### Assessment criterion 9(c)(f):

Opportunities for direct involvement of relevant external stakeholders in public procurement are utilized. \*

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

PPA and its Regulations do not allow direct involvement of relevant external stakeholders in public procurement. Involvement of the civil society in the procurement process was noted in just one case (stakeholder's engagement during preparation of environmental and social impact assessment) of the 100 sampled contracts.

### Quantitative analysis

*Recommended quantitative indicator to substantiate assessment criterion (f): percentage of contracts with direct involvement of civil society: planning phase; bid/proposal opening; evaluation and contract award, as permitted; contract implementation)*

*Percentage of contracts with direct involvement of civil society: 1%*

*Source: Sample of procurement cases.*

### Gap analysis

PPA and its Regulations do not allow direct involvement of relevant external stakeholders in public procurement.

### Recommendations

Defining clear objectives and actively informing and engaging the civil society and citizens in the definition of the investment plans, as well as during their implementation and monitoring, publication of procurement plans, including the development of procurement training for external partners to enhance their capacities in monitoring public procurement, these would increase the transparency of the procurement activity and facilitate the understanding of interested parties, including the civil society and the economic operators, on the procurement approaches foreseen by the authority.

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### Assessment criterion 9(c)(g):

The records are complete and accurate, and easily accessible in a single file. \*

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

Section 61 (1) of PPA Cap.410 provides that, a procuring entity shall maintain a record of its procurement proceedings in which it is involved, including decisions taken and the reasons for it and such record shall be kept for a period of not less than five years from the date of completion of the contract and be made available when required to the Minister and the Controller and Auditor General. Further, Regulation 10(1) of the Public Procurement Regulations, 2013 as amended in 2016 provides that, a procuring entity shall maintain adequate written records of all procurement, selection, or disposal proceedings in which it is involved, and such records shall prescribe tenderers responded to advertisements or were approached to tender or to submit expression of interest or proposal, the successful tenderers, the unsuccessful tenderers and the reasons.

On the adequacy of records management by the procuring entities, the major weaknesses observed during the compliance assessment through the procurement audits conducted and reflected in PPRA APERS for FY 2020-21, 2021-22 and 2022-23 were non availability of complete record per tender, improper arrangement, and location of procurement records per tender and inadequate storage facilities for archiving procurement records. The same cases were reported through the internal audit reports submitted by internal auditors to PPRA and reflected in PPRA APERS.

With the introduction of the e-system, most of the procurement process documents are in the system except for contract implementation of which the module is under construction. After the contract implementation module starts to operate, most of the documents will be accessed through the system. However, the procuring entity needs to strengthen the system for keeping the physical files with contract implementation documents to enhance effective monitoring by PPRA and CAG through compliance and performance audits.

### Quantitative analysis

// Minimum indicator // \* Quantitative indicators to substantiate assessment of sub-indicator 9(c) Assessment criterion (g):

- share of contracts with complete and accurate records and databases (in %): 47%

Source: Sample of procurement cases.

### Gap analysis

Inadequate management and archiving the procurement documents. The procurement documents in most of tender files are incomplete and the storage facilities are not adequate. The assessment carried out on the 100 sampled cases revealed that only 47% of the total sampled contracts had complete and accurate records. This implies that, about 57% of the contracts the procurement records were not properly kept.

### Recommendations

- Procuring entities should devise a strategic plan ensuring the availability of procurement records from the initial stage of procurement to the contract closure stage.

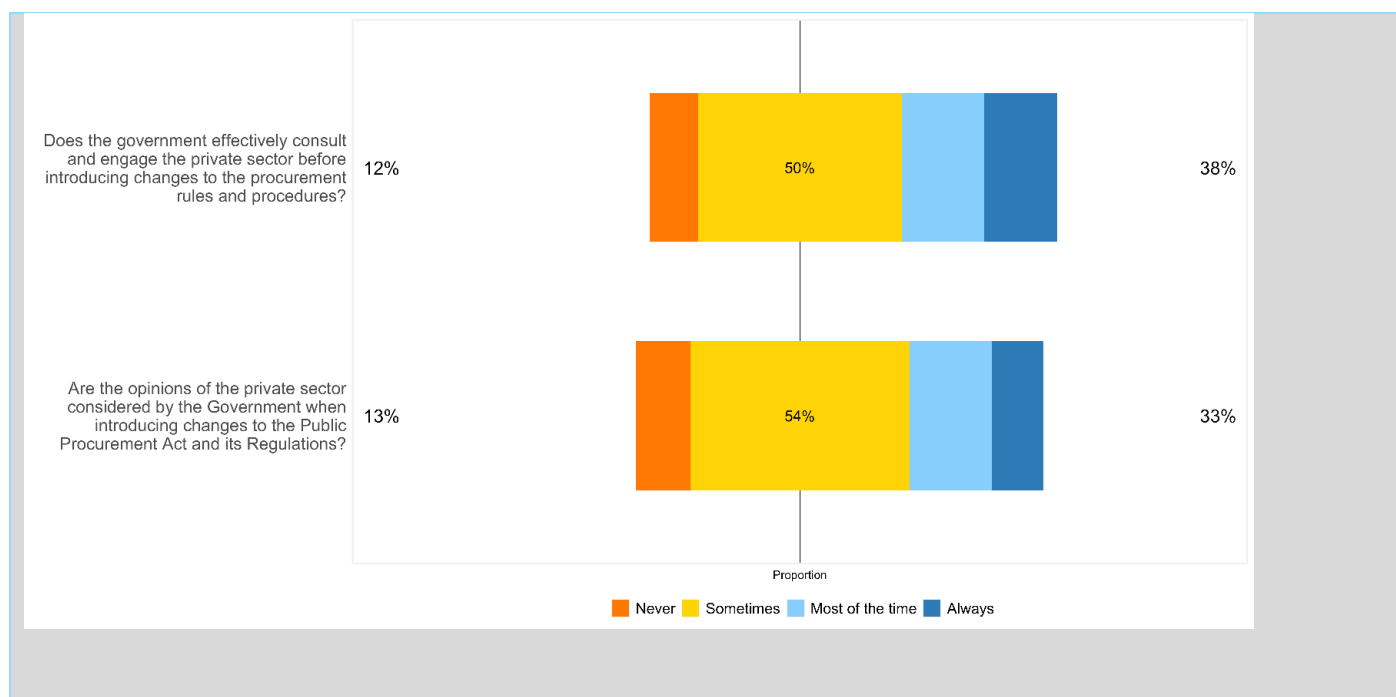
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- NeST to be fully operationalized to enable archiving both procurement and contract implementation documents.

### Indicator 10. The public procurement market is fully functional

Sub-indicator 10(a) Dialogue and partnerships between public and private sector	
<b>Assessment criterion 10(a)(a):</b>	The government encourages open dialogue with the private sector. Several established and formal mechanisms are available for open dialogue through associations or other means, including a transparent and consultative process when formulating changes to the public procurement system. The dialogue follows the applicable ethics and integrity rules of the government. *
<b>Conclusion:</b>	Minor gap
<b>Red flag:</b>	No
<b>Qualitative analysis</b>	Dialogue with public and private sector stakeholders usually happens when the government is formulating or making changes to the Public Procurement Act and Regulations. The law reform process in Tanzania requires public consultation. During the amendment process for the Public Procurement Act 2011 in 2016, the Parliament Budget Committee invited public and private sector stakeholders to provide their comments. For instance, according to the PPRA, the key stakeholders such as CAG, PPAA, PSPTB and others, including Civil Society organizations and private sector organizations—were invited to provide their comments on the matter during formulation of new Public Procurement Act Cap 410 of 2011 R.E. 2022. In addition, any Bill under the Tanzania legislative process must pass through first reading and second reading in parliament to receive comments from stakeholders. The Standing Rules of Parliament, Government Announcement No.626 of 2020 provides that the Committee to which the Bill was sent will issue notices or issue a letter of invitation to invite anyone to come and express their opinion before the Committee with the aim of assisting it in the analysis of the Bill.
<b>Quantitative analysis</b>	<p>* Recommended quantitative indicator to substantiate assessment of sub-indicator 10(a) Assessment criterion (a): - perception of openness and effectiveness in engaging with the private sector (in % of responses).</p> <p>Source: Survey.</p>

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### Gap analysis

Engagement of private sector during the process of modification of the procurement legislation is limited. About 12 percent of the private sector representatives had the opinion that, the government never consult or engage them when introducing changes to the procurement rules and procedures and 13 percent of private sector representatives believe that their opinions are never taken into consideration.

### Recommendations

The Government should widely encourage open dialogue with the private sector in the process of modification of procurement legislation.

### Assessment criterion 10(a)(b):

The government has programmes to help build capacity among private companies, including for small businesses and training to help new entries into the public procurement marketplace.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

PPRA through the division responsible for capacity development and advisory services on procurement related issues has programs to help in building capacity to private companies, including for small business and training to help new entries into the public procurement. PPRA develops an annual training program which is published on the PPRA website to allow private companies to acquire knowledge of the Public Procurement Act together with the electronic procurement system (NeST).

The Annual Performance Evaluation reports for FY 2020-21, FY 2021-22 and FY 2022-23 provided statistics of the number of trainings which were issued by PPRA to the private parties and new entries in procurement as reflected in the table below

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Financial year	Category	Participants	Capacity building/ training facilitated
2020-21	Suppliers	1,246	e-procurement system
	Contractors	469	
2021-22	Special Group	457	e-procurement system
	University/ College Students (new entries)	515	
	Economic operators	417	
2022-23	University/ College Students (new entries)	357	Public procurement act

**Gap analysis**  
None

**Recommendations**  
None

### Sub-indicator 10(b) Private sector's organisation and access to the public procurement market

#### Assessment criterion 10(b)(a):

The private sector is competitive, well-organized, willing and able to participate in the competition for public procurement contracts. \*

**Conclusion:** No gap

**Red flag:** No

#### Qualitative analysis

Section 64 (1) of PPA requires the procuring entity engaging in the procurement of goods, works, services, non-consultancy services or disposal by tender to apply competitive tendering, using the methods prescribed in the regulations depending on the type and value of the procurement or disposal and in any case, the successful tenderer shall be the tenderer evaluated to have the capacity and capability to supply the goods, to provide the services or to undertake the assignment or the highest evaluated offer in case of services for revenue collection or disposal of public assets.

#### Quantitative analysis

\* Recommended quantitative indicator to substantiate assessment of sub-indicator 10(b) Assessment criterion (a):

- number of registered suppliers as a share of total number of suppliers in the country (in %)
- share of registered suppliers that are participants and awarded contracts (in % of total number of registered suppliers)
- total number and value of contracts awarded to domestic/foreign firms (and in % of total)

Source: E-Procurement system/Supplier Database.

Competition levels in public procurement in Tanzania Both international and national competitive tenders seem attractive to the market. The average number of bids for international competitive tenders is 7 bids and national competitive tenders is 6.8.



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Market – Competition	Average # of bids
International – Competitive	7
National – Competitive	6.8
National - Non-Competitive	1.3

More than half of the bids are responsive for any procurement category.

Procurement category	# of responsive bids	% of responsive bids
Consulting services	2.7	84.1%
Goods	3.8	73.2%
Non-consulting services	2.7	84.5%
Works	4.1	70.5%

The survey results show that changes to the procurement legislation are perceived not difficult by the private sector organizations (69 percent), however they lack the necessary resources to keep up with the changes (47 percent)

### Gap analysis

None

### Recommendations

None

### Assessment criterion 10(b)(b):

There are no major systemic constraints inhibiting private sector access to the public procurement market.

**Conclusion:** Minor gap

**Red flag:** No

### Qualitative analysis

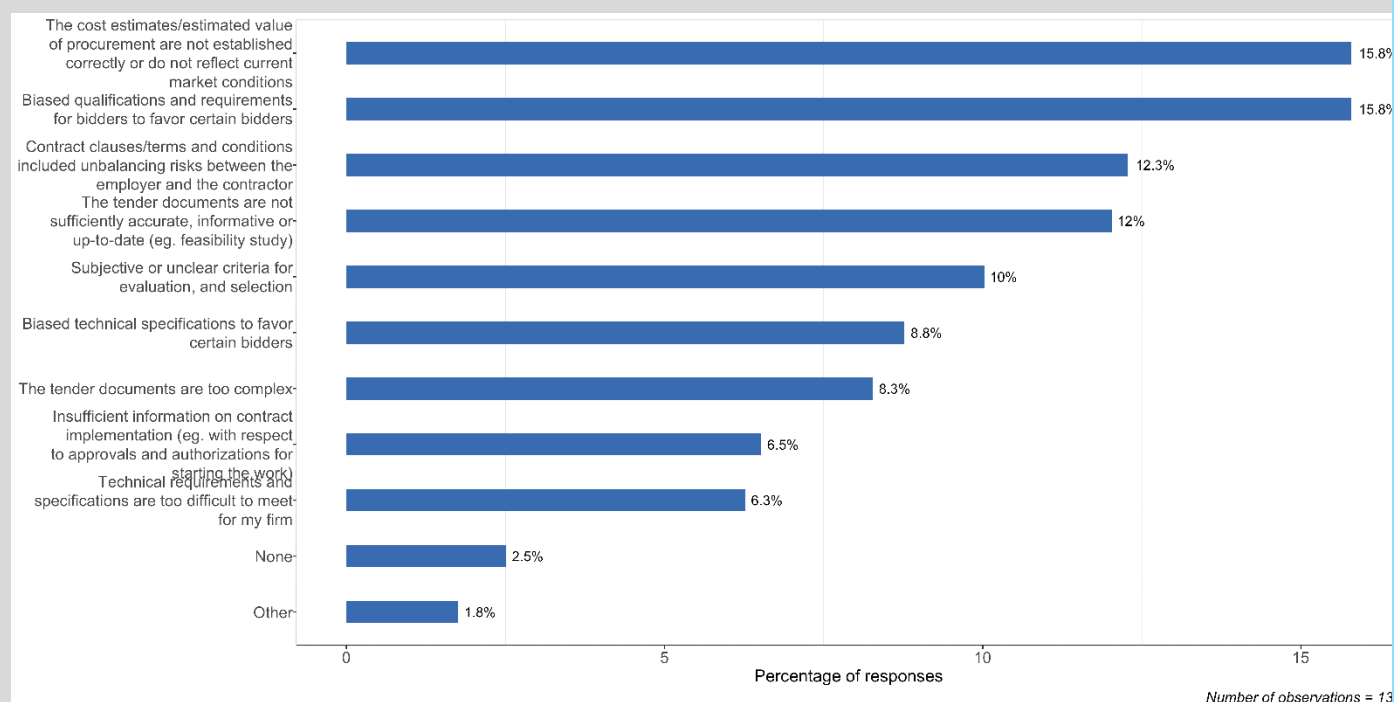
Among the functions which are to be exercised by PPRA as per Section 9(1) of PPA Cap. 410 is to organize and maintain a system for the publication of data on public procurement opportunities, awards, and any other information of public interest. Previously, PPRA had systems which were used to provide procurement information which included but not limited to the procurement journal, the Procurement Management Information System (PMIS) and the Authority's website. On introducing the electronic procurement system in Tanzania, PPRA migrated from the Procurement Management Information System (PMIS) to Tanzania Electronic procurement System (TANePS) which was more advanced on archiving most of the procurement data/ information from the stage of preparation of bidding document to the contract management. TANePS was officially launched in July 2018. However, this system was observed to have several challenges which required further transformation to be made and thereby comes a new system known as the National Electronic Procurement System (NeST). NeST is currently used to carry out all procurement and archiving all procurement information from the stage of initiating the requirement by the user department to the stage of managing the contract. In line with NeST, PPRA also used other platforms in providing procurement information including the website, and the procurement journal. The public have open access on information relating to procurement (advertised tenders, awarded tenders, bidders awarded contracts), procurement guidelines, procedural forms, details on registration of special groups, previous reports on the procuring entities performance, the standard procurement documents and training opportunities.

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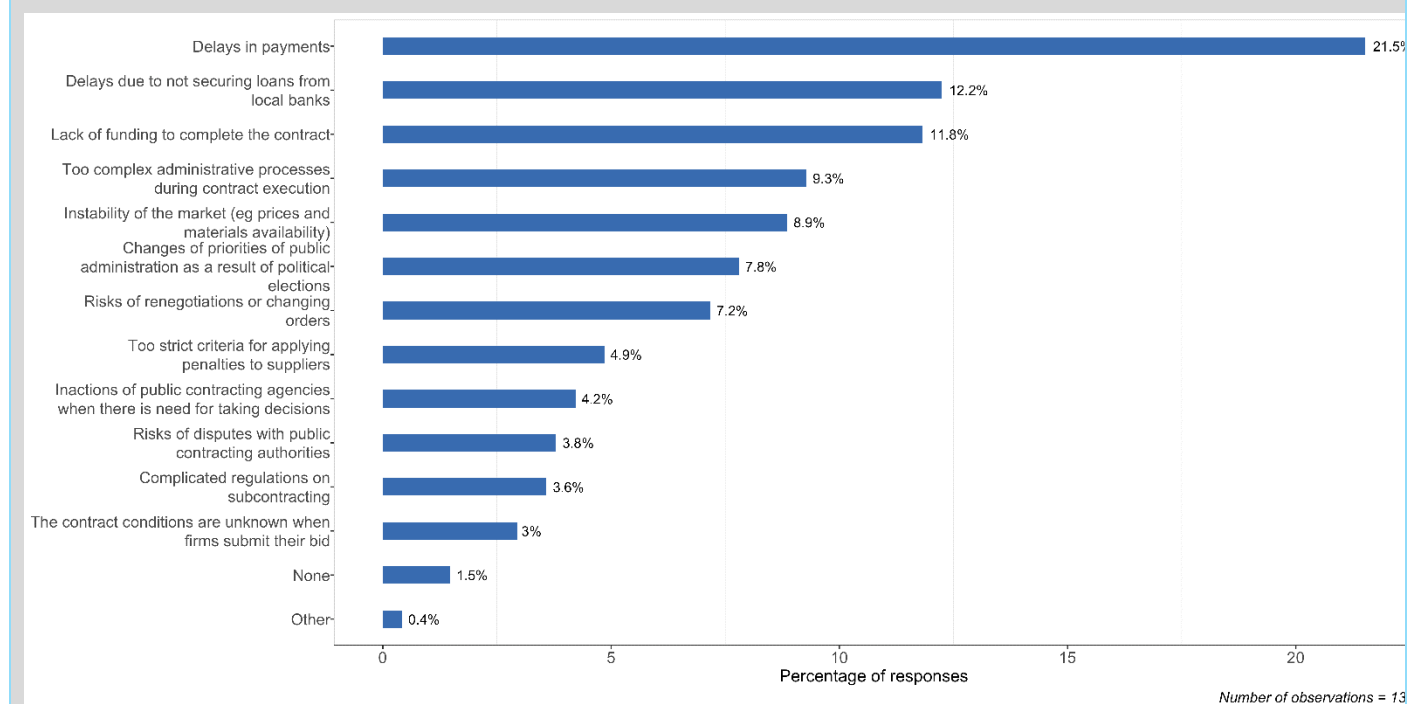
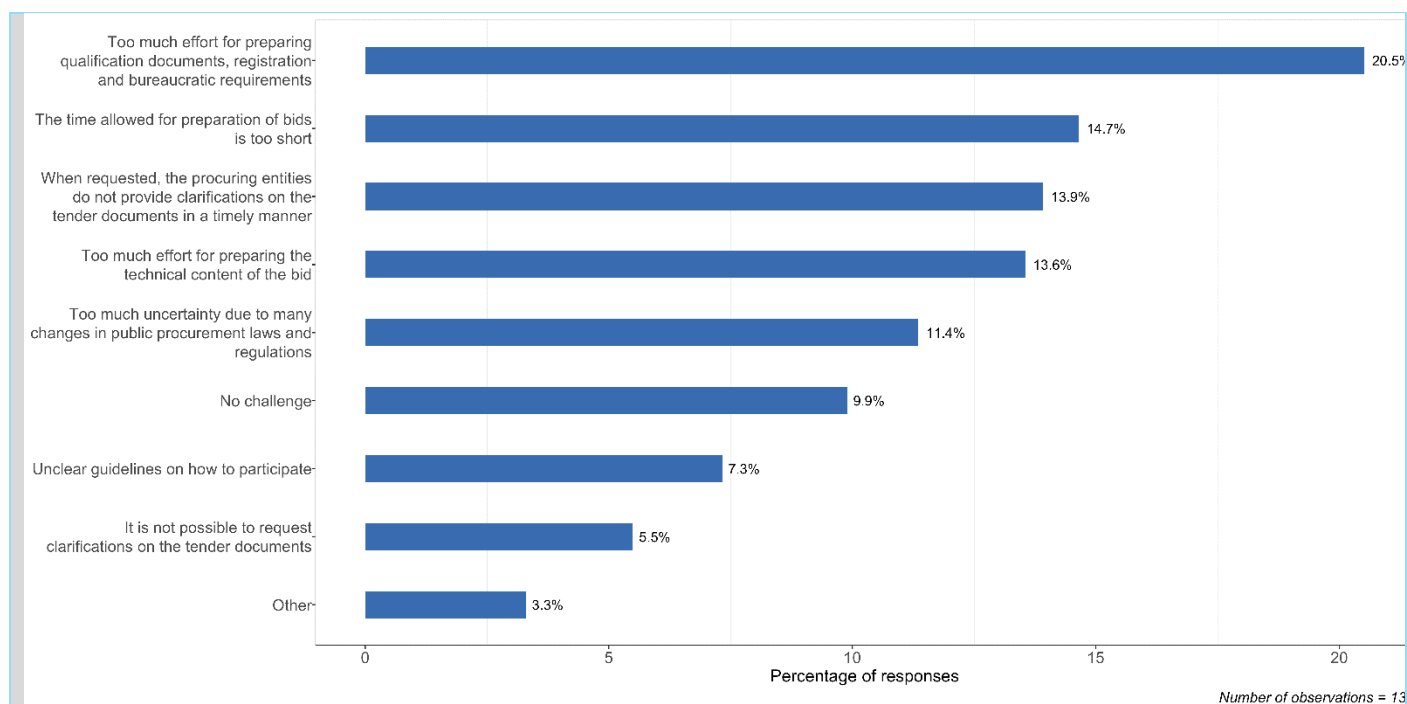
### Quantitative analysis

*\* Recommended quantitative indicator to substantiate assessment of sub-indicator 10(b) Assessment criterion (b): - perception of firms on the appropriateness of conditions in the public procurement market (in % of responses). Source: Survey.*

Most of the respondents to the survey results believe there are no systemic constraints inhibiting private sector's access to the public procurement market (70.9 percent). Nevertheless, the main issues they face with the tender documents are the fact that cost estimates do not reflect the market conditions (15.8 percent), that biased qualifications and requirements are used (15.8 percent) and that contracts include unbalanced risks (12.3 percent). They also consider that preparing the bid takes too much effort, both the administrative requirements and the technical content (20.5 percent and respectively 13.6 percent) and the time allowed to prepare the bid is too short (14.7 percent). The main challenges during contract implementation are the delays in payments (21.5 percent), delays due to lack of access to bank loans (12.2 percent) and lack of funding to complete a contract (11.8 percent).



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### Gap analysis

Although most of the respondents to the survey results believe that there are no systemic constraints inhibiting private sector's access to the public procurement market (70.9 percent), several constraints were pointed including cost estimates do not reflect the market conditions (15.8 percent) and using of biased qualifications and requirements (15.8 percent). Other constraints including too many efforts for preparation of bidding documents on both the administrative requirements and the technical content (20.5 percent and respectively 13.6 percent) and the time allowed to prepare the bid is too short (14.7 percent). Also, some constraints were pointed out during contract implementation including the delays in payments (21.5 percent).

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<b>Recommendations</b> The Government should widely provide awareness and capacity building trainings to private sectors to strengthen their access to the public procurement market.
<b>Sub-indicator 10(c)</b> <b>Key sectors and sector strategies</b>
<b>Assessment criterion 10(c)(a):</b> Key sectors associated with the public procurement market are identified by the government.
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b> The key sectors associated with public procurement market have been identified in the Public Procurement Regulations Part IV as follows;  <ul style="list-style-type: none"> <li>(a) Procurement of common use items and services</li> <li>(b) Procurement of maintenance and repair of motor vehicles, plant and equipment, and the installation of electrical, refrigeration, air conditioning and electronic services in buildings owned by Government.</li> <li>(c) Procurement of Information and Communication Technology Equipment</li> <li>(d) Procurement of Medicines and Medical Supplies</li> </ul>
<b>Gap analysis</b> <b>None</b>
<b>Recommendations</b> None
<b>Assessment criterion 10(c)(b):</b> Risks associated with certain sectors and opportunities to influence sector markets are assessed by the government, and sector market participants are engaged in support of procurement policy objectives.
<b>Conclusion:</b> Minor gap
<b>Red flag:</b> No
<b>Qualitative analysis</b> According to section 6(2)(f) of the Public Procurement Act cap 410, the Public Procurement Policy Division has the responsibility of conducting research and other studies on public procurement and advice the Government on specific measures to be taken in observance of any challenges which hinders the effective procurement process to the private sector.
<b>Gap analysis</b> The study is constrained with the information regarding the assessment done by the government on risk associated with certain sectors and opportunities to influence sector market.
<b>Recommendations</b> Government to emphasize in carrying out assessment of risk associated with certain sectors to identify opportunities to influence sector markets.

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

Indicator 11. Transparency and civil society engagement strengthen integrity in public procurement

Sub-indicator 11(a) Enabling environment for public consultation and monitoring	
<b>Assessment criterion 11(a)(a):</b>	A transparent and consultative process is followed when formulating changes to the public procurement system.
<b>Conclusion:</b>	No gap
<b>Red flag:</b>	No
<b>Qualitative analysis</b>	<p>Consultative approach is followed when formulating changes in the Public Procurement Act and Regulations. The law reform process in Tanzania requires public consultation. During the amendment process for the Public Procurement Act 2011 in 2016, the Parliament Budget Committee invited stakeholders to provide their comments. For instance, according to the PPRA, the key stakeholders such as CAG, PPAA, PSPTB and others, including Civil Society organizations and private sector organizations—were invited to provide their comments on the matter during formulation of new Public Procurement Act Cap 410 of 2011 R.E. 2022. In addition, any Bill under the Tanzania legislative process must pass through first reading and second reading in parliament to receive comments from stakeholders. The Standing Rules of Parliament, Government Announcement No.626 of 2020 provides that the Committee to which the Bill was sent will issue notices or issue a letter of invitation to invite anyone to come and express their opinion before the Committee with the aim of assisting it in the analysis of the Bill.</p> <p>For the past five years there has been no amendment of the public procurement in Tanzania. The new procurement law (PPA No.10 of 2023) was enacted by the parliament through normal legislative procedures. From the survey, only 24% of the respondents indicated that government does not effectively consult and engage the CSOs.</p>
<b>Gap analysis</b>	No gap.
<b>Recommendations</b>	<ul style="list-style-type: none"> <li>No recommendation.</li> </ul>
<b>Assessment criterion 11(a)(b):</b>	Programmes are in place to build the capacity of relevant stakeholders to understand, monitor and improve public procurement.
<b>Conclusion:</b>	Substantive gap
<b>Red flag:</b>	No
<b>Qualitative analysis</b>	

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According to Section 9(1)(n) of the Public Procurement Act Cap 410 R.E. 2022, one of the functions of the Public Procurement Regulatory Authority (PPRA) is to build capacity to stakeholders engaged in public procurements issues. PPRA has a department dedicated to Capacity Building and Advisory Services which among others provides capacity building to public procurement stakeholders. As part of this function, the Department offers services to procuring entities and private sector stakeholders to enhance understanding of the public procurement legal framework to improve compliance thereof.

According to PPRA's Annual Performance Evaluation Report of June 2023, in the year of review, the Authority conducted a training on the PPA and its Regulations to 1,280 participants from 262 procuring entities. In the same year under review, PPRA conducted tailor made training on the application of the PPA and procurement implementation tools to 574 public servants from 26 procuring entities; dissemination workshops on PPA and its Regulations to 357 students – Federation of Procurement and Supplies Students Association Club (278) and Tanzania Institute of Accountant (TIA) Procurement Professional Club (79); training on application of TANeP to 435 participants from 245 procuring entities and tailored made training on the application of TANePS to 178 public servants from nine procuring entities. Further, in the year under review, PPRA conducted various training sessions on the use of NeST to 1,510 from 309 procuring entities, 532 bidders and 85 government staff from different public institutions were as trainers of NeST. The assessment has revealed there is no evidence to attest that there is a regular and comprehensive capacity build program and business outreach for the private sector and civil society organizations to understand, monitor and improve their participation in the public procurement. As indicated above, focus has been to build capacity of the public institutions.

### Gap analysis

- There is inadequate business outreach and capacity-building initiatives targeting private sector, civil society organizations and the public.

### Recommendations

- Expand capacity-building programs to include civil society organizations and the public, ensuring broader understanding and engagement in public procurement processes. PPRA to arrange regular business outreaches to the key stakeholders in different regions at least two workshops per year.
- Utilize digital technology, such as development of e-Learning platforms to enhance outreach efforts and scale up capacity-building initiatives to reach a wider audience of stakeholders. e-Learning platforms to be linked with NeST and accessible to the public.

### Assessment criterion 11(a)(c):

There is ample evidence that the government takes into account the input, comments and feedback received from civil society.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

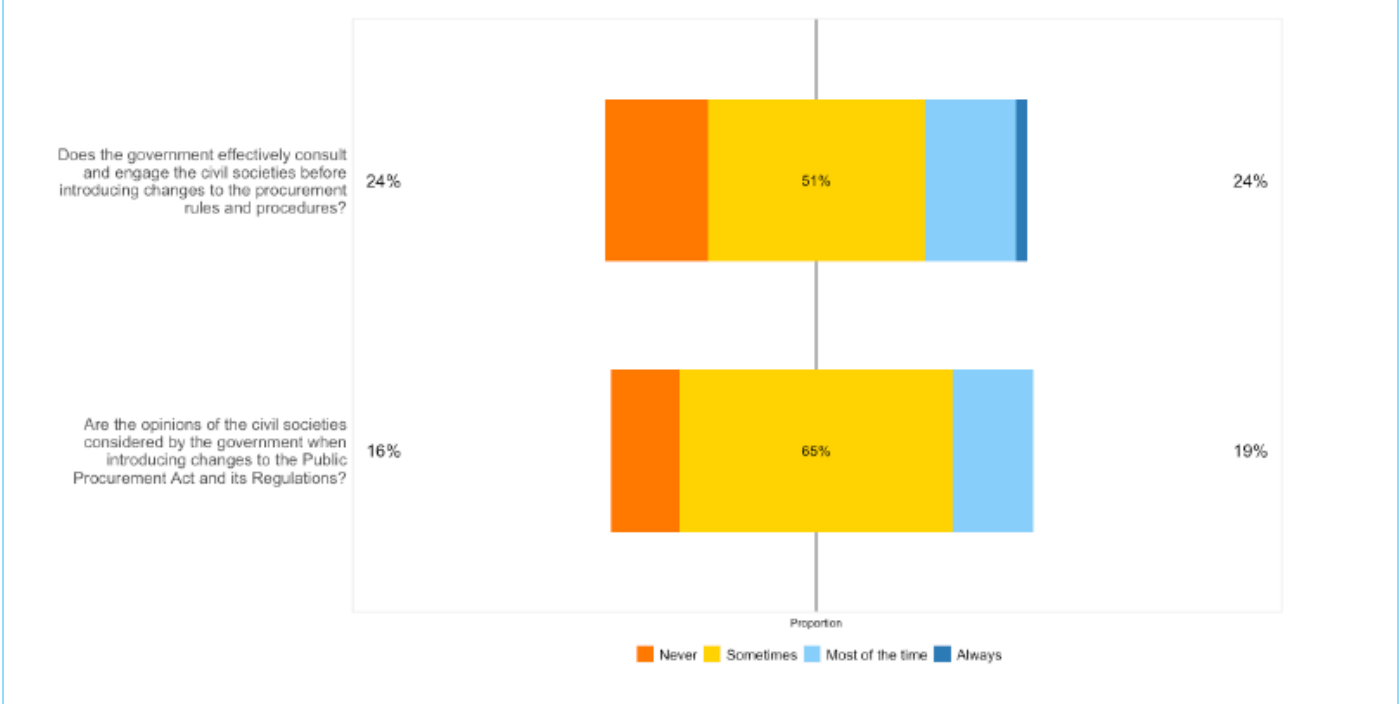
There is sufficient evidence to conclude that the government considers the input, comments and feedback received from civil society during its legislative process. The legislative process involves first reading and second reading of the proposed Bill in the parliament before it is debated and passed into law, the CSOs as part of public stakeholders provide input and comments thereof., The extent to which CSOs are engaged and their input and comments considered is evident in the survey whereby only 16% of the CSOs indicated that opinions of the civil societies are not considered by the government when introducing changes to the PPA and its Regulations. 65 % of the

# Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

respondents said “Sometimes” and 19% “Most of the time”. Thus, it can be concluded that comments and feedbacks of the CSOs are considered although not in all cases.

**Questions: 1) Does the government effectively consult and engage the civil societies before introducing changes to the procurement rules and procedures? AND 2) Are the opinions of the civil societies considered by the government when introducing changes to the Public Procurement Act and its Regulations?**

*Note: Number of observations is 37 for both questions.*



Gap analysis
No gap.
Recommendations
No recommendation.

Sub-indicator 11(b)
Adequate and timely access to information by the public
Assessment criterion 11(b)(a):
Requirements in combination with actual practices ensure that all stakeholders have adequate and timely access to information as a precondition for effective participation.
Conclusion: No gap
Red flag: No

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### Qualitative analysis

The public procurement information is adequately disclosed and timely available and accessible to the public. In addition to disclosure of the publication of laws, regulations, and other operational instruments on the PPRA website, all procurement and contract award information is available and accessible on the national e-Government Procurement system, namely NeST. The system provides procurement information to stakeholders in real time. The information available on the platform that can help the stakeholders decide to tender include tender opportunities, previously awarded contracts, and aggregated statistics on procurement opportunities and contract awards. Also, there is Tanzania Procurement Journal available in PPRA website, which provides summaries of current tender opportunities and awarded contracts to the stakeholders pursuant to the First Schedule of PPR 2013 (Government Notice No. 446).

### Gap analysis

- No gap.

### Recommendations

- No recommendation.

### Sub-indicator 11(c)

#### Direct engagement of civil society

#### Assessment criterion 11(c)(a):

The legal/regulatory and policy framework allows citizens to participate in the following phases of a procurement process, as appropriate:

- the planning phase (consultation)
- bid/proposal opening (observation)
- evaluation and contract award (observation), when appropriate, according to local law
- contract management and completion (monitoring).

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

The procurement law does not have provisions expressly allowing participation of the civil society organizations in all stages of the procurement cycle. However, section 64 (2) of the PPA and Regulation 168 of PPR, GN. No. 446 of 2013 as amended 2016 allows community participation in the public procurement. The law is silent on the participation of citizens in evaluations and contract award as well as contract management and completion except for the community participation projects. It only allows observation opportunity to citizens at the planning stage and bid/proposal opening. This is done through the information which is published by PPRA and procuring entities. At the planning stage, procuring entities are required to prepare a General Procurement Notice and submit to the PPRA for publication pursuant to Regulation 18(1)(2) of GN No.446 of 2013 (as amended). However, there is no formal consultation process provided in the procurement framework for direct engagement of the CSOs in the planning phase. The GPN for all procuring entities are available in NeST and Tanzania Procurement Journal whereby public can access required information like proposed date of tender opening, tenders advertised (current tenders) and awarded contracts. At the tender opening stage, section 73(3) of the PPA CAP 410, R.E. 2022, requires all tenders submitted to be opened in public, in the presence of the tenderers or their representatives and any other interested parties with a legitimate interest. This means that citizens 'with legitimate' interests can participate in tender opening ceremonies and gain an understanding of the market outcomes of the procurement process. Currently, most of the information regarding procurement process is published in the electronic procurement system (NeST).



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### Gap analysis

- There are no adequate mechanisms to facilitate and encourage citizen participation throughout the procurement process i.e., evaluation of bids/proposal and contract management.

### Recommendations

- The procurement legal framework should strengthen mechanism for meaningful citizen participation in the planning phase, bid opening, evaluation, and contract management stages, ensuring their active involvement in observation and monitoring.

### Assessment criterion 11(c)(b):

There is ample evidence for direct participation of citizens in procurement processes through consultation, observation, and monitoring.

**Conclusion:** Substantive gap

**Red flag:** Yes

### Qualitative analysis

There is no provision in the public procurement legal framework that requires direct participation of citizens in procurement processes through consultation, observation, and monitoring, other than through access to general procurement plans, specific procurement plans, contract award information, and participation in public tender opening ceremonies for citizens with legitimate interest except for the community participation procurements whereby the lower levels are involved in all stages through committees established as per the guidelines issued by PPRA i.e, Force Account. Regulation 168 (2) of PPR provides that the beneficiary community shall be responsible for the procurement activities under the project component.

### Gap analysis

- The current legal framework lacks explicit provisions for direct participation of citizens in procurement processes through consultation, observation, and monitoring. It is a “Red Flag” as the implementation requires legislation amendment which is beyond procurement system.

### Recommendations

- To make the procurement process more credible, trustworthy, transparent, and inclusive procurement, the legal framework to incorporate provisions explicitly enabling and encouraging direct participation of citizens in procurement processes through consultation, observation, and monitoring from the planning phase to contract monitoring

## Indicator 12. The country has effective control audit systems

### Sub-indicator 12(a)

#### Legal framework, organization, and procedures of the control system

The system in the country provides for:

### Assessment criterion 12(a)(a):

laws and regulations that establish a comprehensive control framework, including internal controls, internal audits, external audits, and oversight by legal bodies

**Conclusion:** No gap

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**Red flag:** No

## Qualitative analysis

The public procurement laws and regulations establish a comprehensive control framework, including internal controls, internal audits, external audits, and oversight by legal bodies. Section 31-41 of the Public Procurement Act Cap 410 R.E. 2022 provides a setup of procurement functions in the PEs by established procurement organs such as AO, TB, UD, EC and PMU, these organs undertake procurement functions independently in relation to their respective functions and powers. Further, Sect 48(2) of the PPA Cap 410 R.E 2022, requires Internal Audit Unit in each PE in his quarterly audit report, include a report on whether this PPA and PPR has been complied.

Furthermore, under Article 143 of the Constitution of the United Republic of Tanzania, the CAG has statutory duties and responsibilities of undertaking external financial and performance audit of all government entities at least once a year and report to the Parliament, through its Parliamentary Oversight Committee, the individual reports are discussed as per Regulation 92-96 of the Public Audit Regulations of 2009, the audit submitted also covers expenditure of funds used for procurement. The PPA requires external auditor (CAG) to state whether the provisions of PPA have been complied with in his annual report every year as per Section 48(3) of the PPA.

Also, the Prevention of Corruption Act Cap 329 R.E 2022 provides the overall legal framework for prevention and combating corruptions in Tanzania including in procurement vested to PCCB. The enacted Act has provision of corrupt transactions in contracts (Section 16) and corrupt transactions in procurement (Section 17) which state the penalties for person convicted of such offences.

Another instrument that forms part of the legal framework on internal controls is the Code of Ethics and Conduct for Public Officers and Tenderers Engaging in Public Procurement. Issued in 2021, it plays a crucial role in regulating the ethical behaviour of public officers involved in procurement matters in Tanzania. It establishes guidelines and principles to ensure transparency, integrity, and accountability throughout the procurement process. By emphasizing legal compliance, high standards of service, avoidance of conflicts of interest, and proper handling of bidding documents, the code aims to promote fair and ethical practices. Additionally, it prohibits corrupt behaviour, collusion, discriminatory practices, and other unethical actions, safeguarding public assets and maintaining public trust in the procurement system.

## Gap analysis

- No gap

## Recommendations

- No recommendation

## Assessment criterion 12(a)(b):

internal control/audit mechanisms and functions that ensure appropriate oversight of procurement, including reporting to management on compliance, effectiveness, and efficiency of procurement operations

**Conclusion:** No gap

**Red flag:** No

## Qualitative analysis

There is clear mechanism for internal control and audit to ensure oversight in procurement. The procurement function in the procuring entities is organized in such way that provides internal control and balances. PPA and its Regulations have established organs responsible for managing procurement activities and each organ have been vested with specific responsibilities and they are required to act independently (Sections 33 – 41) of the PPA CAP 410, R.E.2022. Further, in case of the disagreements, the law has provided mechanisms to handle disagreements.

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Further, PPA and its Regulations provide that public body shall advertise, invite, solicit, or call for tenders unless authorized by the accounting officers, award any contract unless the necessary approvals have been granted, a person or firm shall not sign a contract with any public body unless the award has been approved by the tender board.

Budgeting and preparation of the procurement plan are clearly articulated in the law. The budget approving authority among other is responsible for reviewing and approving of annual procurement plan, ensuring that the procuring entity complies with the provision of the act and regulations, ensure that PPRA's recommendations with respect to established wrong-doings in procurement activities are implemented, disciplining of the staff implicated on wrong-doings, and may request PPRA to carry out procurement audits or investigations where it is not satisfied with the implementation of any procurement in the procuring entity.

PPRA institute procurement audit, contract audit and performance audit and communicate to the management to indicate implementation action plan for the issued recommendations in pursuant to Regulation 92 of GN No.446 of 2013. The APER which includes audit reports are submitted to the Minister and is laid before the Parliament (Section 29(2) of PPA (R.E 2022). Also, Internal audit unit in every procuring entity conducts procurement audit in each quarter to assured compliance with the PPA and PPR, the internal audit report is discussed to an audit committee as oversight body of the respective procuring entity.

Through compliance and performance (VFM) audits carried out to the procuring entities, PPR has been reporting non-compliance and inefficiencies by the procuring entities. For instance, PPRA (APER 2023), assessment of APPs submitted for FY 2022/2023, 732 procuring entities out 864 registered submitted their APPs thorough TANePS while 58 procuring entities did not submit their APPs. Among other, the report revealed that there is inadequate discharge of functions by the tender board, interference of functions of PMU by the User Departments in some of the procurements which were carried out; and failure by PMU to effectively discharge their functions including submission of periodic reports to the Authority, entities carried out procurements that were not included in the APP, the tender evaluation exercise did not consider the criteria which were explicitly stated in the bidding document; inappropriate preparation of tender documents; the award of contracts were made to non-responsive bids; vetting was not done to the draft contracts prior to the signing of contracts; the accounting officers did not appoint tender evaluation committees in some of the implemented tenders and tender board approved the award of contracts after the expiry of the tender validity period.

Non-compliance noted from the contract management were some services rendered before the signing of contracts; some contracts were not adequately managed; performance securities for some contracts expired before the accomplishment of contractual obligations; some suppliers and contractors delayed in supplying goods and completing works within the time stipulated in their contracts but were not charged with liquidated damages; delivered goods were not inspected after being delivered; payments were not made timely; and some vendors executed contracts before fulfilling the requirement for the submission of performance security; and contract variations were paid without tender board approval.

Further, audit is carried out by external audit (CAG) to assess as whether the procuring entity complied with the Act and Regulations, the recommendations issued in audit, the management is required to implement the recommendations, the reports are discussed to the Audit Committee (Board of Director) and responses are submitted to Parliamentary Oversight Committees i.e. Public Accounts Committee (PAC) and Local Authorities Accounts Committee (LAAC). PAC is responsible for scrutinizing central government expenditure while LAAC examines local government spending.

### Gap analysis

- No gap.

### Recommendations

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- No recommendation.

### Assessment criterion 12(a)(c):

internal control mechanisms that ensure a proper balance between timely and efficient decision-making and adequate risk mitigation

**Conclusion:** Minor gap

**Red flag:** No

### Qualitative analysis

PPA and its Regulations have established institution set up which ensures that internal control is effective by stipulating responsibilities of each organ involved in the procurement process. The internal control mechanism established in the public procurement legal framework addresses both efficient decision-making and risk mitigation, such as controls against corruption risks vs the goal of achieving value for money. The PPRA's APER 2023 indicates significant delays in processing procurement activities from submission of requisition to signing of the contracts due to internal delays within procuring entities. The report also revealed that there are time overruns in contract implementation and delivery, partly caused by lengthy risk-averse decision-making processes.

### Gap analysis

- There are delays in procurement process especially in the evaluation of bids, negotiations and contract award and signing due to untimely decision making.

### Recommendations

- Enhance enforcement of the processing timelines in the procurement cycle. PPRA will develop an automated bid evaluation module and supplier's module that will provide automated post-qualification data for bid evaluation as explained in Pillar III 9(b) – selection and contracting.

### Assessment criterion 12(a)(d):

independent external audits provided by the country's Supreme Audit Institution (SAI) that ensure appropriate oversight of the procurement function based on periodic risk assessments and controls tailored to risk management

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The NAO is the supreme audit institution whereby Controller and Auditor General mandate is enshrined under Article 143 of the Constitution of the United Republic of Tanzania and stipulated in Sections 10, 11 and 12 of the Public Audit Act Cap 418 R.E 2021, to audit Government revenues and expenditures as appropriated by the Parliament in order to bring about greater accountability and transparency in the management of public resources.

The primary duty of the CAG in accordance with Article 143 of the Constitution of United Republic of Tanzania, 1977 and the Public Audit Act, CAP 418 R.E 2021 is to undertake audits and report on findings at least once a year. In doing so the CAG issues recommendations on his findings. Other bodies including management of audited entities are responsible for ensuring CAG recommendations are implemented, the Parliament through its standing Oversight Committees are responsible for making follow-up to ensure such recommendations are implemented as stipulated in Regulation 92-96 of GN No.47 of 2009. There are three types of audit reports that are produced by NAO; Individual Performance Audit Reports; General Performance Reports; and Follow-up Reports.

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<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 12(a)(e):</b> review of audit reports provided by the SAI and determination of appropriate actions by the legislature (or other body responsible for public finance governance)
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b> <p>The Parliamentary Oversight Committees i.e. PAC and LAAC discuss individual reports of audited entities after the general report is tabled to the National Assembly as stipulated in Regulation 92 of the GN No.47 of 2009, whereby every Accounting Officer prepare responses on unresolved audit findings (Regulation 95 of the GN No.47 of 2009), the Parliamentary Oversight Committee issues directives for implementation. Based on the CAG's reports, the oversight committees issue directives aimed at ensuring that public funds are used for the purposes intended by the Parliament and addressing failures or weaknesses in public financial management.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 12(a)(f):</b> clear mechanisms to ensure that there is follow-up on the respective findings.
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b> <p>There is a clear mechanism to ensure that there is follow-up on the respective findings. CAG and PPRA are required to follow implementation of the findings and verify that the corrective actions have been taken by the auditee in the next audit conducted to the respective entities. The follow-up covers both compliance and performance audits. CAG is empowered with Article 143 of the Constitution of the United Republic of Tanzania (URT) of 1977 and Section 34(1) and (2) of the Public Audit Act CAP 418 R.E. 2021 to submit the reports of the audits to the President and the Parliament.</p> <p>However, based on the CAG audit results for FY 2022/2023, follow up of audit recommendations indicated that majority of the procuring did not adhere with implementation of previous recommendations made by Authority. This negligence led to considerable repetition of the same weaknesses and slightly improvement of compliance level from 65.10 to 65.13 in FY 2021/22 and 2022/23 respectively.</p> <p>Internal audit unit in every procuring entity conducts procurement audit in each quarter to assure compliance with the PPA and PPR. The reports of internal audit are discussed in the audit committee of the respective entity as an</p>

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oversight body within the procuring entity. The implementation status of the internal audit reports and recommendations can be assessed by the Authority through Government Audit Recommendation Implementation – Information Tracking System (GARI-ITS).

### Gap analysis

- No gap.

### Recommendations

- No recommendation.

### Sub-indicator 12(b)

#### Coordination of controls and audits of public procurement

#### Assessment criterion 12(b)(a):

There are written procedures that state requirements for internal controls, ideally in an internal control manual.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The Authority has issued different guidelines for internal controls in procurement, issue authorized standardized tendering documents, procedural forms to procuring entities to guide procurement, the guidelines are available in the Authority website, also the Authority have internal Performance Audit Manual, investigation manual and Procurement Audit Manual with objective to provide a step-by-step procurement audit procedure. The Public Audit Act of 2020 (Revised Edition) and the Public Audit Regulations, 2009 have written procedures for the internal controls.

### Gap analysis

- No gap

### Recommendations

- No recommendation

#### Assessment criterion 12(b)(b):

There are written standards and procedures (e.g. a manual) for conducting procurement audits (both on compliance and performance) to facilitate coordinated and mutually reinforcing auditing.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The Public Audit Act of 2020 (Revised Edition) empowers CAG to determine the scope and extent of the examination or inspection of the accounts or any other audit of each auditee (Section 17). Section 18 provides that in discharging his functions and responsibilities shall determine which auditing standards and code of ethics and conduct specific to the audits performed by his office. Further, empowers CAG to be guided by international auditing standards or other auditing standards as he may deem fit. On the other hand, the Public Audit Regulation of 2009 clearly provides procedures to be adopted while conducting audits i.e., overall audit strategy, entrance and exit meetings, performance audit procedures, decisions to conduct special audits, scope of special audit, forensic audits, and reporting.

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PPRA has developed manuals and standard operating procedures (Audit tools) designed to be used by the internal and external auditors in carrying out procurement audits of procuring entities. The manuals (procurement compliance and performance audits) and audit tools serve as a reference point and provides guidance to the auditors when conducting procurement audits. The existing manuals will be subjected to continuous review to reflect amendments in the PPA especially new PPA 2023 and the anticipated new Public Procurement Regulations.

Also, The Authority has continued to adopt changes in Procurement Implementation Tools [Guidelines and Standard Tender Documents (STDs)]. For the FY 2022/2023, In total, ten (10) new procurement implementation tools were developed, and 57 existing tools were reviewed and disseminated to ensure compliance in procurement.

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 12(b)(c):

There is evidence that internal or external audits are carried out at least annually and that other established written standards are complied with.\*

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

There is evidence that internal or external audits are carried out at least annually and that other established written standards are complied with. For external audit, Regulation 68-69(1) of the Public Audit Regulations, 2009 requires that the CAG shall, at least once a year, carry out regularity audit to all Ministries, Independent Departments, audit Local Government Authorities, Agencies, Public Authorities, and other bodies, with a view to provide for a professional opinion on the financial statements of those entities as to whether they represent a true and fair view. The audit is conducted in accordance with International Organizations of Supreme Audit Institutions, International Standard on Auditing, and any other standards as the CAG may determine from time to time. During the audit, the CAG is required to state whether audited entity complied with PPA and PPR (Sect. 48(3) of the Public Procurement Act Cap 410 R.E 2022). In addition, The Public Procurement Authority also conducts procurement audit, contract audit, and performance audit in pursuant to Sect 9(1) (j) of the Public Procurement Act Cap 410 R.E 2022. The audit reports are published in the CAG's website and can be accessed by the citizens.

### Quantitative analysis

*\* Recommended quantitative indicator to substantiate assessment of sub-indicator 12(b) Assessment criterion (c):*

- number of specialized procurement audits carried out compared to total number of audits (in %).
- share of procurement performance audits carried out (in % of total number of procurement audits).

*Source: Ministry of Finance/Supreme Audit Institution.*

PPRA has been conducting compliance and performance audits to procuring entities since 2006 on sample-based approach due to limited capacity. However, introduction of e-procurement system (NeST) has significantly increased the coverage of procurement audit by PPRA. The audited PEs included those from Ministries, Departments, and Agencies (MDAs), Local Government Authorities (LGAs), Regional Secretariats (RS), and Public Authorities (PAs). For the FY 2021-22 the Authority had conducted the procurement audits to only 324 PEs, which was about 38% of all registered PEs. Out of these audited PEs, 90 were audited physically while 232 were audited



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through TANEPS. PPRA under the Ministry of Finance conducts audits annually but due to resources constraints they cannot cover all 1,141 procuring entities.

Data from the CAG did not indicate the number of specialized procurement audits. However, the data shows that performance audits are rarely done. Over the period of 5 years (from 2017/18 to 2021/22), performance audit accounted for only 2% of the annual audits, as indicated in the table below.

S/N	FY	AUDITED ENTITY				TOTAL	PERCENTAGE OF PERFORMANCE AUDITS
		PUBLIC AUTHORITIES	LOCAL GOVERNMENT	CENTRAL GOVERNMENT	PERFORMANCE AUDITS		
1	2021/22	203	218	336	16	773	2%
2	2020/21	195	219	327	13	754	2%
3	2019/20	165	219	301	15	700	2%
4	2018/19	148	218	294	12	672	2%
5	2017/18	122	218	214	12	566	2%

### Gap analysis

PPRA has no sufficient resources to carry out audits in all procuring entities in Tanzania (approx. 1,141 now) and number is increasing.

### Recommendations

Provide PPRA with sufficient resources to be able to carry out audit all annually for all procuring entities. This will include develop a procurement audit module in NeST to enable internal and external audits to ensure that most of the compliance audits are carried out in the system. The module in NeST will be powered by the Artificial Intelligence and Machine Learning.

### Assessment criterion 12(b)(d):

Clear and reliable reporting lines to relevant oversight bodies exist.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

There are clear and reliable reporting lines to relevant oversight bodies. In the case of external audit, Part VI of the Public Audit Act of 2020 provides clear and reliable reporting lines of the annual audits, forensic and performance audits, special audit reports, reports on the public authorities and other bides and parliamentary oversight committee by CAG. In addition, section 29 (1) (a)(b) and (2) of Public Procurement Act (PPA) CAP 410 (R.E.2022) requires PPRA within three months after the end of each financial year to submit to; the minister of finance an Annual Performance Evaluation Report (APER); CAG the accounts of the Authority for the financial year and the APER. Thereafter, the Minister is required to lay before the parliament the APER within three months from the date of his receiving the report or at the next sitting of the parliament whichever event comments first. Furthermore, PPRA is mandate where circumstances require, prepare a special report on any matter relating to the procurement and submit to the minister. Through this report, PPRA informs stakeholders and the general public on the Authority's performance, an evaluation of operations of procuring entities in respect to compliance, audit findings, complaints investigated, and corrective actions taken. The Minister submits the report to the Parliament. The new Public Procurement Act 2023 has elevated the reporting line by requiring PPRA to submit an annual evaluation report on performance on procurement, supplies and disposal activities to the President of the United Republic of Tanzania.



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In the case of internal audit, section 48(2) of the PPA, CAP 410 (R.E.2022) requires the head of internal audit of each public body in his quarterly audit report to include a report on whether PPA and Regulations have been complied with and the accounting officer upon receiving such report he is required to submit a copy thereof to PPRA. During the financial year 2022/23, a total of 476 out of 1,000 quarterly audits reports were received from 250 entities. The total number of the procuring entities that submitted internal audit reports has increased from 124 to 250 procuring entities during the review period, which signifies the improvement of 98.4 percent compared to the financial year 2021/2022. Likewise, the number of reports has increased from 215 to 476. The increase has been attributed to GARI-ITS, which has enabled procuring entities to submit their quarterly reports.

### Gap analysis

- No gap

### Recommendations

- No recommendations

### Sub-indicator 12(c)

#### Enforcement and follow-up on findings and Recommendations

#### Assessment criterion 12(c)(a):

Recommendations are responded to and implemented within the time frames established in the law.\*

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

Pursuant to the provisions under Regulation 92 of GN No. 446 of 2013, the procuring entity is required to respond in writing within 14 days from the date of receipt of the recommendations and indicate the actions to be taken, and to submit implementation status within three months. Non-compliance has been reported in the PPRA's APER 2023 – implementation of the previous audit recommendations indicated that out of 269 issued recommendations; 96 recommendations 35.7% were implemented, 88 recommendations which is equivalent to 32.7% were partially implemented and 85 recommendations equivalent to 31.6% were not implemented. Also, Pursuant to Section 48 (2) of PPA CAP 410, the Head of Internal Audit Unit of each PE is required to include compliance with Public Procurement Act and its Regulations on his/her quarterly reports. The Act requires Accounting Officer to submit the report within 14 days after receiving the report from the Head of Internal Audit Unit.

For external audit carried out by CAG, it is required that upon receipt of the management letter, the management of the audited entity is required to provide responses on the audit observations and submits the same to CAG within 21 days from the date of receipt of the management letter in compliance with Regulation 86(2) of the Public Audit Regulations (GN No.47 of the PPR, 2009). Evidence demonstrated that there is non-compliance. As of 30 June 2023, for the Central Government, there were 7,342 previously issued audit recommendations. CAG assessment revealed that 2,946 (40.1%) were implemented, 2,725 (37.1%) are under implementation, 617 (8.4%) were not implemented, 366 (5%) were overtaken by events, and 688 (9.4%) recommendations were reiterated due to continued relevance. Out of 96 PAC directives from my previous years' reports, 38 (39.6%) were fully implemented, 43 (44.8%) are under implementation, 5 (5.2%) were not implemented, while 1 (1%) was reiterated and 9 (9.4%) were overtaken by events. For the Local Government Authorities, CAG has revealed that 184 LGAs were issued with 8,268 recommendations of which 609 recommendations (7%) were not implemented. For the Public Authorities, out of 6,151 previous years audit recommendations issued to 215 PSEs; 2,413 (39%) were fully implemented, 2,776 (45%) were under implementation, 720 (12%) were not implemented, while 242 (4%) were overtaken by events. 136 Parliamentary Accounts Committee (PAC) directives issued up to financial year 2022/23; 45 (33%) were implemented, 89 (65%) were under implementation, and two (2%) were not implemented (CAG Report 2024).

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### Quantitative analysis

\* Recommended quantitative indicator to substantiate assessment of sub-indicator 12(c) Assessment criterion (a):  
- Share of internal and external audit Recommendations implemented within the time frames established in the law (in %).

Source: Ministry of Finance/Supreme Audit Institution.

Quantitative analysis of data from the Ministry of Finance and the CAG office indicate that majority of the audit recommendations are not implemented on time. Although the data from both sources did not indicate the extend of implementation of audit recommendations within the timeframe established in the law, the data showed the extend of implementation in general.

Analysis of the internal audit recommendations data from the Ministry of Finance's GARI-ITS system indicate a decreasing trend of audit performance. During the financial year 2023/2024, the average share of audit recommendations that were implemented nationally was only 5% for all audits and only 2% for procurement audit. This was a decrease by 6% from the financial year 2022/2023 for both categories. The breakdown of the internal audit recommendations implementation for the past 5 years in indicated in the tables below:

#### Analysis of Implementation of Audit Recommendations for the FY 2023/2024:

GROUP	VOTE GROUP	Total Votes Registered	No of Recommendation Issued	No of Reco. Implemented	No of Procurement Reco. Issued	No. of Procurement Reco. Implemented	Implementation Performance(%)	Procurement Implementation Performance
A	REGIONS	26	215	21	45	0	10	0
B	COUNCILS	185	1332	65	351	7	5	2
C	MINISTRIES	37	172	10	40	3	6	8
D	GVT DEPARTMENTS	192	789	29	139	1	4	1
E	GVT AGENCIES	57	186	5	43	0	3	0
F	GVT AUTHORITIES	55	204	6	48	2	3	4
G	COMMISSIONS	15	36	0	8	0	0	0
	<b>TOTAL</b>	<b>567</b>	<b>2934</b>	<b>136</b>	<b>674</b>	<b>13</b>	<b>5</b>	<b>2</b>
SOURCE: GARI ITS								

#### Analysis of Implementation of Audit Recommendations for the FY 2022/2023:

GROUP	VOTE GROUP	Total Votes Registered	No of Recommendation Issued	No of Reco. Implemented	No of Procurement Reco. Issued	No. of Procurement Reco. Implemented	Implementation Performance(%)	Procurement Implementation Performance
A	REGIONS	26	438	57	116	15	13	13
B	COUNCILS	185	3350	45	878	57	1	6
C	MINISTRIES	37	598	354	134	4	59	3
D	GVT DEPARTMENTS	192	2262	280	465	66	12	14
E	GVT AGENCIES	57	451	56	160	3	12	2
F	GVT AUTHORITIES	55	547	83	178	10	15	6
G	COMMISSIONS	15	83	5	11	0	6	0
	<b>TOTAL</b>	<b>567</b>	<b>7729</b>	<b>880</b>	<b>1942</b>	<b>155</b>	<b>11</b>	<b>8</b>
SOURCE: GARI ITS								

#### Analysis of Implementation of Audit Recommendations for the FY 2021/2022:

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GROUP	VOTE GROUP	Total Votes Registered	No of Recommendation Issued	No of Reco. Implemented	No of Procurement Reco. Issued	No. of Procurement Reco. Implemented	Implementation Performance(%)	Procurement Implementation
A	REGIONS	26	416	106	90	14	25	16
B	COUNCILS	185	4366	725	900	139	17	15
C	MINISTRIES	37	415	86	81	13	21	16
D	GVT DEPARTMENTS	192	1601	361	349	71	23	20
E	GVT AGENCIES	57	380	60	103	5	16	5
F	GVT AUTHORITIES	55	435	116	65	15	27	23
G	COMMISSIONS	15	23	2	2	0	9	0
	<b>TOTAL</b>	<b>567</b>	<b>7636</b>	<b>1456</b>	<b>1590</b>	<b>257</b>	<b>19</b>	<b>16</b>
	SOURCE: GARI ITS							

### Analysis of Implementation of Audit Recommendations for the FY 2020/2021:

GROUP	VOTE GROUP	Total Votes Registered	No of Recommendation Issued	No of Reco. Implemented	No of Procurement Reco. Issued	No. of Procurement Reco. Implemented	Implementation Performance(%)	Procurement Implementation
A	REGIONS	26	194	36	42	10	19	24
B	COUNCILS	185	1893	267	224	57	14	25
C	MINISTRIES	37	215	47	24	0	22	0
D	GVT DEPARTMENTS	192	1146	258	197	46	23	23
E	GVT AGENCIES	57	183	39	40	2	21	5
F	GVT AUTHORITIES	55	374	60	54	11	16	20
G	COMMISSIONS	15	39	10	7	0	26	0
	<b>TOTAL</b>	<b>567</b>	<b>4044</b>	<b>717</b>	<b>588</b>	<b>126</b>	<b>18</b>	<b>21</b>
	SOURCE: GARI ITS							

### Analysis of Implementation of Audit Recommendations for the FY 2019/2020:

GROUP	VOTE GROUP	Total Votes Registered	No of Recommendation Issued	No of Reco. Implemented	No of Procurement Reco. Issued	No. of Procurement Reco. Implemented	Implementation Performance(%)	Procurement Implementation
A	REGIONS	26	253	116	52	31	46	60
B	COUNCILS	185	2170	474	354	98	22	28
C	MINISTRIES	37	388	126	51	23	32	45
D	GVT DEPARTMENTS	192	1041	246	194	46	24	24
E	GVT AGENCIES	57	190	89	30	20	47	67
F	GVT AUTHORITIES	55	438	137	50	15	31	30
G	COMMISSIONS	15	2	0	1	0	0	0
	<b>TOTAL</b>	<b>567</b>	<b>4482</b>	<b>1188</b>	<b>732</b>	<b>233</b>	<b>27</b>	<b>32</b>
	SOURCE: GARI ITS							

In addition, data from the CAG office indicated that the average annual percentage of implementation of the CAG's audit recommendations was only 31% for central government entities, 25% for public authorities, and 30% for local governments. The data indicate that up to 45% of the audit recommendations were not implemented at all. This highest level of non-compliance was reported in 2018/19 for public authorities. See table below.



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Financial Year	Sector	Implemented	Under Implementation	Not Implemented	Reiterated	Overtaken by events	Total	%-ge Implemented	%-ge Not Implemented	Average Annual Implemented
2020/21	Central Government	2,380	2,506	1,104	637	320	6,947	34	16	31
2019/20		5,290	6,032	3,548	1,166	1,143	17,179	31	21	
2018/19		2,308	2,441	1,257	621	333	6,960	33	18	
2017/18		1,508	2,003	1,211	259	502	5,483	28	22	
2016/17		1,474	1,588	1,080	286	308	4,736	31	23	
2020/21	Public Authorities	53	63	9		1	126	42	7	25
2019/20		34	51	11		1	97	35	11	
2018/19		25	36	52		3	116	22	45	
2017/18		16	26	20		1	63	25	32	
2016/17										
2020/21	Local government	4,925	3,688	1,111	1,705	391	11,820	42	9	30
2019/20		3,511	1,864	3,637	1,395	417	10,824	32	34	
2018/19		2,275	1,782	1,093	1,257	200	6,607	34	17	
2017/18		3,334	2,891	2,139	1,802	262	10,428	32	21	
2016/17		4,469	2,768	2,168	0	1,830	11,235	40	19	

### Gap analysis

- While there are established time frames for responding to and implementing audit recommendations as stipulated in the law, there is inadequate monitoring and reporting mechanism to ensure full compliance with audit recommendations time frames.

### Recommendations

- Develop a system for regular monitoring and reporting on the implementation of audit recommendations within the prescribed time frames to identify any instances of non-compliance and take corrective actions promptly. This will be done by a procurement audit module to be developed in NeST to enable internal and external audits. The audit module should have a window to track implementation of audits recommendations issued by the CAG, PPRA and IAG.

### Assessment criterion 12(c)(b):

There are systems in place to follow up on the implementation/enforcement of the audit recommendations.

**Conclusion:** Minor gap

**Red flag:** No

### Qualitative analysis

As per the auditing procedures, every individual report of the audited entity by the CAG provides status of the previous year audit recommendations, status of implemented and not implemented recommendation is indicated

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and follow up on the unimplemented recommendations are made. Also, the reports issued PPRA to the procuring entity indicates status of audit recommendations implemented. In addition, the APER indicates status of implementation of audit recommendations. PPRA's APER 2023 reported that out of 269 issued recommendations; 96 recommendations 35.7% were implemented, 88 recommendations which is equivalent to 32.7% were partially implemented and 85 recommendations equivalent to 31.6% were not implemented. Failure to implement recommendations made by Authority results in the recurrence of similar observations which ultimately contribute to inadequate and ineffective operational performance. Another challenge is that PPRA cannot carry out procurement compliance and performance audits in all procuring entities in every year which implies that there are no assurance recommendations of the previous audit will be followed up.

## Gap analysis

- While there are systems in place to follow up on the implementation/enforcement of audit recommendations, there are challenges of implementing all audits recommendations by the audited entities. Failure to implement recommendations made by the CAG, IAG and PPRA results in the recurrence of similar observations which ultimately contribute to inadequate and ineffective operational performance.

## Recommendations

- Strengthen the monitoring and tracking mechanisms for audit recommendations to ensure comprehensive and timely follow-up.

## Sub-indicator 12(d)

### Qualification and training to conduct procurement audits

#### Assessment criterion 12(d)(a):

There is an established programme to train internal and external auditors to ensure that they are qualified to conduct high-quality procurement audits, including performance audits.\*

**Conclusion:** Substantive gap

**Red flag:** No

## Qualitative analysis

Section 3 of the Procurement and Supplies Professionals and Technicians Board (PSPTB) of 2007 defines Procurement and Supplies Professional includes Procurement Specialists, Procurement Professionals, Supplies Professionals and Technicians, **Procurement Auditors**, Supplies and Stock Auditor registered under referred Act. Pursuant to Section 7 of the Act, one of the functions of PSPTB is to conduct professional examinations leading to the grant of and to grant professional certificates and other awards of the Board in procurement, supplies, procurement audit, supplies and stock audit and other subjects relating to procurement and supplies management. Further, Section 11 of the Act emphasis that a person shall be recognized and entitled to practice as Procurement and Supplies Professional and Technicians if that person is duly registered as provided in the act. During the assessment, the assessment had discussions with PSPTB regarding train of the internal and external auditors in public procurement audits, the Board confirmed that to date there are no trainings have conducted tailored to procurement auditor as per the PSPTB act. The Board revealed that it has already prepared a training program for procurement and supply auditors -auditing skills and methodology dated August 2023. Due to resources constraints, the Board has not been able to run the program to the targeted audience. There is no timeframe was provided to start delivering the program to the procurement auditors.

Section 9(3)(n) of the PPA gives mandate to PPRA for enhancing capacity among stakeholders in the country on matters related to Public Procurement. PPRA has continued to implement its Capacity Building Plan through conducting training and seminars that aim at increasing awareness and enhance the capacity of procurement stakeholders through both tailor-made and demand-driven training programs. For instance, in the FY 2022-2023, a tailor-made training on the application of PPA and procurement implementation tools was offered to a total number

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of 574 public servants from 26 PEs as compared to 1,200 participants from 40 PEs that were targeted. The trainings were conducted to government officials from 26 PEs including NAOT (APER for FY 2022-2023). Furthermore, dissemination workshops on PPA, PPR, and procurement implementation tools were conducted to 706 public servants from 236 PEs and the Authority conducted training sessions on the PPA and PPR to 357 students. These trainings were offered by Authority to various procurement stakeholders among the PEs staff, including internal auditors, as well as external auditors. This demonstrated that there no professional development program focused specifically on the internal and external auditors to ensure that they are qualified to conduct high-quality procurement audits and performance audits but rather they are trained on the general procurement matters like any other practitioners.

### Quantitative analysis

*\* Recommended quantitative indicator to substantiate assessment of sub-indicator 12(d) Assessment criterion (a):*  
- number of training courses conducted to train internal and external auditors in public procurement audits.  
- share of auditors trained in public procurement (as % of total number of auditors).

Source for all: Ministry of Finance/Supreme Audit Institution.

There is no data to indicate the number of training courses for carried out to internal and external auditors in procurement audit and the share of auditors trained in public procurement audit.

### Gap analysis

- While PSPTB, CAG and PPRA conduct training courses, there is no data to indicate the number of training courses carried out internal and external auditors in procurement audits.

### Recommendations

- PSPTB in collaboration with CAG and PPRA to develop an effective training program to increase the number of trainings and trained staff to meet the demand for qualified auditors in public procurement audits.

### Assessment criterion 12(d)(b):

The selection of auditors requires that they have adequate knowledge of the subject as a condition for carrying out procurement audits; if auditors lack procurement knowledge, they are routinely supported by procurement specialists or consultants.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

Section 24 of the Public Audit Act of 2022 empowers CAG to employ, appoint, promote, and control discipline of such number and categories of officers and employees of such qualifications as may be considered necessary to assist him in the performance of the functions, carrying on responsibilities and the exercise of his powers. Further, Section 25 provides that the officers of NAO shall possess the professional knowledge and skills commensurate with the audit works the engage in. Regulation 18 of the Public Audit Regulation of 2009 calls for the auditors to adopt a programme designed to ensure high quality audits. Further, Regulation 19 requires auditors to attain and maintain professional knowledge and skills to display professional competence. The attainment of professional competence requires a high standard of general education in a recognized institution followed by specific education, training,

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and examination in a professionally relevant subject. CAG normally uses consultants or firms in carrying out audits to the public bodies.

In line with Section of 24 of PPA CAP 410, PPRA is mandated to appoint consultants and experts in various disciplines. Further, PPRA is required to establish a competitive selection procedure for the appointment of all employees, consultants, and experts and required to comply with procedures established therein. To complement PPRA's audit capability, currently PPRA is using experts from the different fields in the government to conduct procurement compliance and performance audits.

### Gap analysis

- No gap.

### Recommendations

- No recommendation.

### Assessment criterion 12(d)(c):

Auditors are selected in a fair and transparent way and are fully independent.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

Their recruitment process of auditors is usually done through the Public Service Recruitment Secretariat (PSRS) through transparent and fair procedures. PSRS is a government organ with a status of independent department established specifically to facilitate the recruitment process of employees in the Public Service. PSRS was established by the Public Service Act No. 8 of 2002 as amended by Act No. 18 of 2007, section 29(1). In addition, the staff recruited through PSRS undergo induction programs and training to be equipped with the knowledge and skills to conduct procurement audits.

### Gap analysis

- No gap

### Recommendations

- No recommendation

## Indicator 13. Procurement appeals mechanisms are effective and efficient

### Sub-indicator 13(a)

#### Process for challenges and appeals

### Assessment criterion 13(a)(a):

Decisions are rendered on the basis of available evidence submitted by the parties.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The procurement appeals decisions are rendered based on available evidence submitted by the parties. The PPAA and its Regulations, provide a two-tier system (levels) for handling procurement complaints which are the head

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(accounting officer) of procuring entity and the Public Procurement Appel Authority (PPAA). At the first level, Section 96(6) of the PPA, CAP 410 (R.E.2022) requires the accounting officers within seven (7) working days after the submission of the complaint or dispute to deliver a written decision which states the reasons for the decision or where the complaint is upheld in whole or in part indicate the corrective measures to be taken. To arrive at correct decision, the accounting officer may, depending on the nature of the complaint, constitute an independent review panel to review the complaint and advise on the appropriate actions to be taken. For monitoring purposes, aggrieved bidder is required to serve a copy of complaint to PPRA and the Accounting Officer (AO) is required to submit a copy of the decision to PPRA within seven days from the date of its delivery.

The Public Procurement Act grants the mandates PPAA jurisdiction to hear and determine complaints against procuring entities where a procurement or disposal of contract is already in force and appeals arising from administrative decisions made by the accounting officer pursuant to Section 88(4) of PPA 2011 R.E. 2022. Section 97(4) of the PPA, CAP 410 (R.E.2022) requires PPAA to give a notice of the complaint to the procuring entity in which case, the procuring entity shall be required to submit all the relevant documentations and information pertaining to the respective tender. Under this mandate, PPAA administers judicial proceedings and summons evidence from the parties before rendering its decisions.

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 13(a)(b):

The first review of the evidence is carried out by the entity specified in the law.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The first review of procurement complains is carried out by the head of the procuring entity. Section 96(1) of the PPA 2011 RE 2022 states that any complaints or dispute between procuring entities and tenderers which arise in respect of procurement proceedings, disposal of public assets by tender and awards of contracts shall be reviewed and decided upon a written decision of the accounting officer of a procuring entity and give reasons for his decision pursuant to Section 96(6) of PPA 2011 RE 2022.

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 13(a)(c):

The body or authority (appeals body) in charge of reviewing decisions of the specified first review body issues final, enforceable decisions. \*

**Conclusion:** Substantive gap

**Red flag:** No



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### Qualitative analysis

Pursuant to Section 97(1) of the PPA 2011 RE 2022, a tenderer who is aggrieved by the decision of the accounting officer may refer the matter to the Appeal Authority (PPAA) for review and administrative decision. Further, Section 97(3) allows tenderer submit a complaint or dispute direct to PPAA if the complaint or dispute cannot be entertained under Section 96 because of entry into force of the procurement or disposal contract and provided that the complaint is submitted within seven (7) working days from the date when the tenderer submitting it became aware of the circumstances giving rise to the complaint or dispute or the time when that tenderer should have become aware of those circumstances. The appeal rules and application forms for appealing can be accessed in their website. Section 97(7) of the PPA stipulates that the decision of the Appeals Authority shall be final unless is subject for judicial review under Section 101 of this PPA 2011 RE 2022.

### Quantitative analysis

// Minimum indicator // \* Quantitative indicator to substantiate assessment of sub-indicator 13(a) Assessment criterion (c):

- number of appeals.

Source: Appeals body.

\* Recommended quantitative indicator to substantiate assessment of sub-indicator 13(a) Assessment criterion (c): number (and percentage) of enforced decisions.

Source: Appeals body.

Public procurement appeals decisions are published in the PPAA's website: <https://www.ppaa.go.tz/>. PPAA's appeal decisions from 2009 to 2023 can be accessed free of charge their website. The number of appeals which PPAA reviewed and issued final and enforceable decisions are indicated in table below in terms of number of registered appeals.

YEAR	REGISTERED APPEALS
2018/2019	56
2019/2020	26
2020/2021	35
2021/2022	41
2022/2023	50

Further data from the Public Procurement Appeals Authority (PPAA) indicate that the average annual number of registered appeals for the past five years (from 2018 to 2023) was about 42. The PPPA reported that there is no mechanism of tracking Procuring Entities' implementation of the PPAA's decisions except those that end up submitted to the High Court for judicial review or applications for executions. Discussions with the Appeal Authority revealed that there is a gap that needs to be addressed in terms of monitoring and evaluation of the implementation of its decision. PPAA reported that the government has developed complaint and appeal management module in NeST which will start to be used once the new procurement legislation is operational. However, the module is not fully fledged to issue notifications, tracking whether decisions are rendered timely, and monitoring implementation decisions issued by the appeal authority.

YEAR	REGISTERED APPEALS	DETERMINED	PERCENTAGE
2018/2019	56	56	100%
2019/2020	26	26	100%

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2020/2021	35	35	100%
2021/2022*	41	37	100%
2022/2023*	50	45	100%

### Gap analysis

- Lack of monitoring and evaluation of the decisions issued by the Appeals Authority. There is no mechanism for tracking implementation of the PPAA's decisions by procuring entities.
- The newly developed complaint and appeal management module in NeST does not have a mechanism of receiving notifications on the complaints submitted to the procuring entities level for administrative review. The notification will enhance transparency by knowing the number of disputes which is in public procurement processes.
- The newly developed complaint and appeal management module in NeST does not provide access to attorneys from the Office of the Solicitor General and private advocates.

### Recommendations

- Enhancement of the complaint and appeal management module in NeST to a fully-fledged system to enable notification to the Appeals Authority once a complaint is lodged to the procuring entity, tracking, and monitoring of implementation of its issued decision and publish the rulings. The enhancement of the module should also accord the Office of the Solicitor General and private advocates with access with the module.

### Assessment criterion 13(a)(d):

The time frames specified for the submission and review of challenges and for appeals and issuing of decisions do not unduly delay the procurement process or make an appeal unrealistic.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

Tenders submitting procurement complaints or appeals are required to do so within seven working days after receiving communication on decision of accounting officer or upon expiry of the period within which accounting officer decision is ought to have made may make appeal to the PPAA pursuant to Section 97(1)(b) of PPA 2011 R.E. 2022. Also, PPAA within 45 days should issue decision concerning the complaint or dispute pursuant to Section.97(6) of PPA 2011 R.E 2022.

### Gap analysis

- No gap

### Recommendations

- No recommendations

### Sub-indicator 13(b)

#### Independence and capacity of the appeals body

The appeals body:

#### Assessment criterion 13(b)(a):

is not involved in any capacity in procurement transactions or in the process leading to contract award decisions

**Conclusion:** No gap

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**Red flag:** No

### Qualitative analysis

Establishment of the independent appeal body and composition of the members is provided under Section 88 of the PPA 2011 R.E 2022. The appeal body consist of the chairman nominated by the president from amongst retired judges and six (6) members, a senior lawyer appointed by the Attorney General, and at least two of them from the private sector with professional knowledge and experience in public, construction industry, business administration, finance, or law.

The Appeals Authority is not involved in any capacity in procurement transactions or in the process leading to contract award decisions. Section 44(1) provides that the procurement activities of the Appeals Authority shall be contracted out to the Government Procurement Services Agency (GPSA), except for procurement of minor value items not exceeding the limits prescribed in the regulations (Section 44(2) of PPA 2011 RE 2022).

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 13(b)(b):

does not charge fees that inhibit access by concerned parties

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The PPA 2011 RE 2022 grants mandate to the Minister responsible for Finance to make regulations prescribing (among others) fees for various services rendered by the Appeals Authority. The fees are public available to the public on PPAA website (<https://www.ppaa.go.tz/en/payment-fee>). The fees charged are reasonable to incentivize legitimate complaints, inhibit abuse of the system while also not restricting access to justice.

S/No.	Subject Matter	Amount in TZS (USD)
1	On submission of appeal	300,000 (117)
2	On opting to join the proceedings	300,000(117)
3	On application to set aside ex-parte decision	1,000,000 (392)
4	On application for extension of time	300,000 (117)
5	For withdrawal of appeal	1,000,000 (392)
6	On application for execution of the decree/order	150,000 (59)

### Gap analysis

- No gap

- Recommendations

### Assessment criterion 13(b)(c):

follows procedures for submission and resolution of complaints that are clearly defined and publicly available.

**Conclusion:** No gap

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<b>Red flag:</b> No
<b>Qualitative analysis</b> <p>The Public Procurement Appeals Authority (PPAA) has laid down clear procedures to follow on submission of complaints by bidders dissatisfied with the tender process or decision made by the Procuring Entities. The procedures are publicly available to the PPAA website.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation.</li> </ul>
<b>Assessment criterion 13(b)(d):</b> exercises its legal authority to suspend procurement proceedings and impose remedies
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b> <p>Section 100(4) of PPA 2011 R.E. 2022 empowers PPAA to suspend the procurement process or where necessary, the performance of the concerned procurement contract pending determination of the complaint or an appeal.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>No gap</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>No recommendation</li> </ul>
<b>Assessment criterion 13(b)(e):</b> issues decisions within the time frame specified in the law/regulations*
<b>Conclusion:</b> No gap
<b>Red flag:</b> No
<b>Qualitative analysis</b> <p>The procurement law requires PPAA to issue its appeals decision within 45 days (S. 97(6) of PPA 2011 R.E 2022).</p>
<b>Quantitative analysis</b> <p><i>Quantitative indicator to substantiate assessment of sub-indicator 13(b) assessment criterion (e):</i></p> <ul style="list-style-type: none"> <li><i>appeals resolved within the time frame specified in the law/exceeding this time frame/unresolved (Total number and in %).</i></li> </ul> <p><i>Source: Appeals body.</i></p> <p>Data from the Public Procurement Appeals Authority indicates that 100% of the appeals that were registered and determined between the year 2018 and 2023 were resolved within the timeframe specified in law, which is 45 days.</p>

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

Year	Registered Appeals	Determined	Withdrawn	In Favor of The Respondent (Procuring Entity)/Dismissed (In %)	In Favor of The Appellant (In %)	Decision issued with specified time in the law
2018/2019	56	54	2	80	20	100%
2019/2020	26	23	3	74	26	100%
2020/2021	35	31	4	61	39	100%
2021/2022	41	37	4	78	22	100%
2022/2023	50	45	5	67	33	100%

### Gap analysis

- No gap

### Recommendations

- No recommendation

**Assessment criterion 13(b)(f):** issues decisions that are binding on all parties

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

Pursuant to Section 97(8) of PPA 2011 R.E. 2022, the decision of the Appeals Authority is binding on the parties to the complaint or appeal and is enforceable in the same manner as a decree or order of the court.

### Gap analysis

- No gap

### Recommendations

- No recommendation

**Assessment criterion 13(b)(g):**

is adequately resourced and staffed to fulfil its functions.

**Conclusion:** Minor gap

**Red flag:** No

### Qualitative analysis

Pursuant to Section 88(2)(a-c) of PPA 2011 R.E. 2022), the composition of the PPAA comprises of (a) a Chairman who shall be nominated by the President from amongst retired Judges; (b) six other members to be nominated by the Minister, comprising of (i) a senior lawyer to be appointed by the Attorney General, and (ii) five other members, at least two of them from the private sector with professional knowledge and experience in public procurement, construction industry, business administration, finance or law; and (c) the Executive Secretary who shall be the Secretary of the Appeals Authority.

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

Discussion with PPAA revealed that the appeal authority lacks resources to conduct business outreach to the stakeholders, mechanism to conduct virtual appeal hearing sessions and diversified skills and competence to the member and staff.

Currently, the Appeals Authority is resourced with a financial capacity to conduct stakeholders' awareness of the module to 800 bidders and 300 public officers from different procuring entities. The planned number of 800 bidders and 300 public officers from different procuring entities is way less than the number of bidders and procuring entities registered in NeST. On the mechanism for conducting virtual appeal hearing sessions, currently the Appeals Authority's hearing sessions are conducted through physical appearance of parties. However, the Appeals Authority has observed that the current business trend poses significant challenges, particularly for parties who are located outside the country or in remote areas of Tanzania. Since parties are mandatorily required to make physical appearance before the Appeals Authority, some of them face challenges in bearing the traveling costs while some of them have logistical issues, thus finding their rights affected for their none appearance.

### Gap analysis

- Inability to conduct business outreach to all its stakeholders on the applicability of the complaint and Appeal management module.
- Lacks mechanism to conduct virtual appeal hearing sessions to reduce complaint and appeal administrative costs to the parties and the appeal authority.
- Lacks diversified skills and competences to the members and staff of the Appeals Authority.

### Recommendations

- PPAA to be capacitated with resources to conduct business outreach on newly developed complaint and appeal management module be conducted to large number of its stakeholders to ensure that the introduction of module does not hinder the attainment of justice.
- Develop a mechanism virtual hearing sessions in the appeal processing to reduce administrative costs for parties and appeal authority. In addition, members and staff be capacitated with diversified skills and competences to enable PPAA to issue just and quality decisions.

### Sub-indicator 13(c)

#### Decisions of the appeals body

Procedures governing the decision-making process of the appeals body provide that decisions are:

#### Assessment criterion 13(c)(a):

based on information relevant to the case.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The PPAA decisions are based on information the relevant to the case. During appeals proceedings, PEs are required to submit all relevant documents and information of tender under dispute (Section 97(4) of PPA 2011 R.E. 2022). Since PPA use judicial proceedings, the parties are afforded opportunity for hearing and defending their cases.

### Gap analysis

- No gap

### Recommendations

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

- No recommendation

### Assessment criterion 13(c)(b):

balanced and unbiased in consideration of the relevant information.\*

**Conclusion:** Minor gap

**Red flag:** No

### Qualitative analysis

The procedures governing the decision-making process of the PPAA are unbiased because Appeal Authority's decisions are based on information relevant to the case as stipulated in the Act (Section 97(4) of PPA 2011 R.E. 2022).

### Quantitative analysis

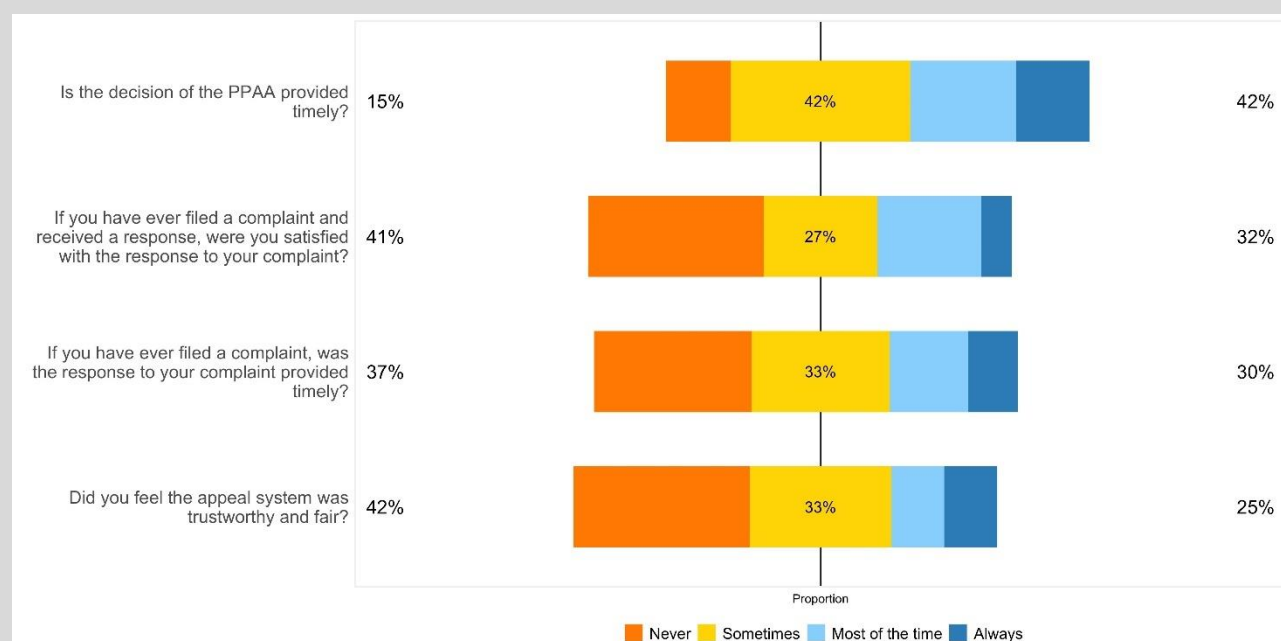
*Recommended quantitative indicator to substantiate assessment of sub-indicator 13(c) Assessment criterion (b):*

- *share of suppliers that perceive the challenge and appeals system as trustworthy (in % of responses). Source: Survey.*

- *share of suppliers that perceive appeals decisions as consistent (in % of responses).*

*Source: Survey.*

Assessment of the perception of the trustworthiness of the public procurement system among stakeholders indicated that out of 134 private sector stakeholders, 42% have never felt the public procurement appeals system to be trustworthy while 33% feels that the system is only sometimes trustworthy. The survey data also indicate that 42% of the respondents feel that PPAA's appeals decisions are sometimes provided timely. Furthermore, the findings indicate that 41% of the respondents were never satisfied with the appeals decisions while 27% are only sometimes satisfied with these decisions.



## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

### Gap analysis

- Despite procedures being in place to ensure balanced and unbiased decisions, the level of trust among bidders regarding the trustworthiness of appeals decisions is not adequate

### Recommendations

PPAA should conduct regular business outreach to the key stakeholders to create awareness of the appeal system and disseminate rules and procedures are being used in the appeal process.

### Assessment criterion 13(c)(c):

result in remedies, if required, that are necessary to correcting the implementation of the process or procedures. \*

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The decision of the Appeal Authority state clear whether there was violation of PPA and PPR or not. The written decision issued by the Appeals Authority state the reason for the decision and remedies granted if any as required in the Act (Section 97(6) of PPA Cap 410 R.E.2022). The Authority (PPRA) recommend to the competent authority to take disciplinary measures against any person implicated in the decision of the Appeal Authority as stipulated in Regulation (Reg. 87 (5) of PPR of 2013 as amended).

### Quantitative analysis

\* Recommended quantitative indicator to substantiate assessment of sub-indicator 13(c) Assessment criterion (c): - outcome of appeals (dismissed; decision in favour of procuring entity; decision in favour of applicant) (in %).  
Source: Appeals body.

Based on data from the PPAA for the period between 2018 and 2023, the average annual percentage of appeals that were determined in favor of the Procuring Entities (PEs) was 72%, while the average number of appeals which were upheld in favor of the appellants (bidders) was 28%.

Year	Registered Appeals	Determined	Withdrawn	In Favor of The Respondent (Procuring Entity)/Dismissed (%)	In Favor of The Appellant (In %)
2018/2019	56	54	2	80	20
2019/2020	26	23	3	74	26
2020/2021	35	31	4	61	39
2021/2022	41	37	4	78	22
2022/2023	50	45	5	67	33

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 13(c)(d):



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decisions are published on the centralized government online portal within specified timelines and as stipulated in the law. \*

**Conclusion:** Minor gap

**Red flag:** No

### Qualitative analysis

The decisions of the PPAA are furnished to the tenderer that submitted the complaint/dispute and the procuring entity within seven working days of the decision and published on PPAA's website for the general in accordance with Act (s.99 (1) of PPA Cap 410 R.E.2022). The Appeals Authority's website where the decisions are published is <https://www.ppaa.go.tz/en/decisions>. Currently PPAA's decisions are only published on its website which is not user-friendly.

### Quantitative analysis

// Minimum indicator // \*Quantitative indicator to substantiate assessment of sub-indicator 13(c) Assessment criterion (d):

- share of appeals decisions posted on a central online platform within timelines specified in the law (in %).

Source: Centralized online portal. \*

According to the Appeals Authority, the appeals decisions are published on its website [www.ppaa.go.tz](http://www.ppaa.go.tz) within the timelines specified in the law. During discussion, the Appeals Authority revealed that for the sake of disseminating its decisions to the public it intends to prepare the Public Procurement Law Report. The law reports will include all decisions in a summarized format for ease reference and consumption for the public as it in the judiciary and quasi-judicial bodies.

Year	Registered Appeals	Determined	Withdrawn	In Favor of The Respondent (Procuring Entity)/Dismissed (In %)	In Favor of The Appellant (In %)	Decision issued with specified time in the law
2018/2019	56	54	2	80	20	100%
2019/2020	26	23	3	74	26	100%
2020/2021	35	31	4	61	39	100%
2021/2022	41	37	4	78	22	100%
2022/2023	50	45	5	67	33	100%

### Gap analysis

- PPAA's decisions are published on the appeal authority website <https://www.ppaa.go.tz/appeals> which can consider a centralized government online portal. But it would be more appropriate and user friendly if the decisions are also published in centralized e-GP portal.

### Recommendations

- Design and develop a comprehensive digital library, that will be accessible in both web-based interfaces and mobile platforms to be integrated to the NeST system.

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

### Indicator 14. The country has ethics and anticorruption measures in place

#### Sub-indicator 14(a)

##### Legal definition of prohibited practices, conflict of interest, and associated responsibilities, accountabilities, and penalties

The legal/regulatory framework provides for the following:

##### Assessment criterion 14(a)(a):

definitions of fraud, corruption, and other prohibited practices in procurement, consistent with obligations deriving from legally binding international anti-corruption agreements.

**Conclusion:** No gap

**Red flag:** No

#### Qualitative analysis

Section 3 of the Public Procurement Act Cap 410 R.E 2022 defines four main categories of prohibited practices in procurement. These are fraud, coercion, collusion, and corruption. Fraudulent practice is defined as a misrepresentation of facts to influence a procurement process or the execution of a contract to the detriment of the Government or a public body and includes collusive practices among tenderers, prior to or after submission designed to establish tender prices at artificial non-competitive levels and to deprive the Government of the benefits of free and open competition. Coercive practice means impairing or harming, or threatening to impair or harm directly or indirectly, any party or the property of the party for the purpose of influencing improperly the action or that party in connection with public procurement or in furtherance of corrupt practice or fraudulent practice. Collusive practices are those impairing or harming, or threatening to impair or harm directly or indirectly, any part or the property of the party for the purpose of influencing improperly the action or a part or in connection with public procurement or Government contracting or in furtherance of a corrupt practice or a fraudulent practice. And corrupt practice means the offering, giving receiving or soliciting of anything of value to influence the action of a public officer in the procurement process or contract execution. Legal definitions for 'conflict of interest' are provided under Section 4 of the Public Leadership Code of Ethics Act [CAP 398 R.E 2020 and Section 3 of the Prevention and Combatting of Corruption Act [CAP 329 R.E 2022]. The legal framework is quite robust and covers all aspects of public procurement at all levels of government and internationally acceptable. The CAG has powers to call in question any irregularity and any deficiency or loss occasioned by negligence, misconduct, fraud, or corruption which has occurred on the use of public funds. And CAG can notify the appropriate authority whether it is appropriate that the person involved in the use of public funds or property entailing any of these matters should make good the loss or deficiency resulting therefore and whether disciplinary, surcharge, or legal proceedings, or all of them, should be instituted against the person concerned. (PAA section 11 (3) and (5).

#### Gap analysis

- No gap

#### Recommendations

- No recommendation

##### Assessment criterion 14(a)(b):

definitions of the individual responsibilities, accountability and penalties for government employees and private firms or individuals found guilty of fraud, corruption, or other prohibited practices in procurement, without prejudice of other provisions in the criminal law.

**Conclusion:** No gap

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**Red flag:** No

### Qualitative analysis

The relevant provisions are found under Part VIII of the PPA, 2011 (also in Part X of the new law, PPA 2023) Under section 87 of the PPA 2011 (also Section 111 of the PPA 2023), a person who engages in corruption in the procurement process may be prosecuted under the Prevention and Combating of Corruption Act. Also, according to the Economic and Organized Crimes Control Act [CAP 200 R.E 2022] (Section 57, Section 60(2), Section 60 (3) and paragraph 21 of the First Schedule) corruption offences (save for bribery) are an economic offence. A person convicted of corruption or economic offence shall be liable to imprisonment for a term of not less than twenty years but not exceeding thirty years. In addition, the court shall order the confiscation and forfeiture to the Government of all instrumentalities and proceeds derived from the offence committed. In addition, the court shall order the confiscation and forfeiture to the Government of all instrumentalities and proceeds derived from the offence committed.

The procurement law stipulates that an employee of procuring entity who engages in corrupt or fraudulent practices during the procurement proceedings, or the execution of the public financed contract commits an offence and on conviction is liable to a fine not exceeding TZS 10 million or imprisonment for term not exceeding three years or both (S83 (6) and Section104(2)(d) of PPA Cap 410 R.E.2022).

The law also stipulates that a contract awarded on the basis of inducement shall be revoked, and reported to Prevention and Combating of Corruption Bureau (PCCB) (Section83 and 84 (6) and (7) of PPA Cap 410 R.E.2022), and that a proposal or tender of a tenderer involved in inducement corrupt, fraudulent, collusive, coercive or obstructive conducts shall rejected, and the tenderer (including its directors) shall be debarred from participating in any procurement opportunities for not less than 10 years by the PPRA.

### Gap analysis

- No gap.

### Recommendations

- No recommendation.

### Assessment criterion 14(a)(c):

definitions and provisions concerning conflict of interest, including a cooling-off period for former public officials.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

There are several legislations which provides legal definitions for 'conflict of interest' including Section 4 of the Public Leadership Code of Ethics Act [CAP 398 R.E 2020] and Section 3 of the Prevention and Combating of Corruption Act [CAP 329 R.E 2022]. Provisions concerning 'conflict of interest' in the PPA of PPA Cap 410 R.E.2022 are found in various sections including Sections 24(3), 40(5), 40(6) and 84(5). However, the provisions are also stipulated in other laws, for instance, Sections 14 and 15 of the Public Leadership Code of Ethics Act and regulation 29 of the Prevention and Combating of Corruption Regulations of 2009.

Section 84(5) of PPA Cap 410 R.E 2022 stipulates that a member of staff of a procuring entity or a person with direct influence on the decisions of a procuring entity shall declare an interest that he may have in any tenderer and the tenderer against whom the interest has been declared shall be barred from participating in such procurement. The Act also provides a 12 months cool-off period for the person who was chairman or member of the Board, CEO and an employee of the Authority preventing them from entering into any contract of employment or supply of services or acquire any financial interest, with/in any person or organization who was subject of a contract with PPRA at the

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

time when such person was the member, Chairman, Chief Executive Officer or employee of the Authority (s. 24(5) of PPA Cap 410 R.E 2022).

### Gap analysis

- No gap.

### Recommendations

- No recommendation.

### Sub-indicator 14(b)

#### Provisions on prohibited practices in procurement documents

#### Assessment criterion 14(b)(a):

The legal/regulatory framework specifies this mandatory requirement and gives precise instructions on how to incorporate the matter in procurement and contract documents.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

Section 84(7) of the PPA R.E 2022 stipulates that a tenderer whose tender has been rejected on the ground of inducement corrupt, fraudulent, collusive, coercive, or obstructive shall not be able to qualify or pre-qualify in any procurement proceedings during the ten years. The same provisions are incorporated in the procurement documents issued by PPRA. Also, standard tender documents contain instructions to tenderers, eligibility of tenders including not having conflict of interest, also ineligible if the company declared bankrupt, company is convicted involving professional conduct (Para 3 of the Instruction to Tenderers in Tender document). Generally, section 83-87 of the PPA Cap 410 R.E 2022 and Regulation 78-85 of GN No.446 of 2013 stipulates prohibited practices in the procurement process.

### Gap analysis

- No gap

### Recommendations

- No recommendation

#### Assessment criterion 14(b)(b):

Procurement and contract documents include provisions on fraud, corruption, and other prohibited practices, as specified in the legal/regulatory framework.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The standard tender and contract documents contain instructions and provisions prohibiting fraudulent, corrupt, coercive, collusive, or obstructive practices, as specified in the legal framework (eg. Paragraph 45 Section II: Instructions to tenderers). All standard documents used by the procuring entities are issued by PPRA.

### Gap analysis

- No gap

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### Recommendations

- No recommendation

### Sub-indicator 14(c)

#### Effective sanctions and enforcement systems

#### Assessment criterion 14(c)(a):

Procuring entities are required to report allegations of fraud, corruption and other prohibited practices to law enforcement authorities, and there is a clear procedure in place for doing this.

**Conclusion:** No gap

**Red flag:** No

#### Qualitative analysis

The Act stipulates the responsibility of procuring entities for reporting on corrupt, fraudulent, collusive, coercive, or obstructive practices or inducement for debarment, as stipulated in Reg. 93 (3)(a) of GN No.446 of 2013. Such practices are reported to PCCB and relevant professional bodies for ethical proceedings, as stipulated in section 84(6) of the PPA Cap 410 R.E 2022.

Section 9 of the Criminal Procedure Act [CAP 20 R.E 2022] provides for the legal obligation to report crimes and Section 39 of the Prevention and Combating of Corruption Act [CAP 329 R.E 2022] provides for the legal obligation to report corruption. PCCB has clear procedures to receive allegations of fraud, corruption and other prohibited practices from individuals, institutions, and companies, this includes procuring entities which have concerns on different matters in relation to procurement practices. These include physical visit in the office, anonymous letters, toll free phone number 113 or other phone communication, PCCB website, social media and anonymously through intelligence. However, PCCB also relies on other sources on allegations on procurement systems such as reports from CAG and mainstream media.

#### Gap analysis

- No gap

### Recommendations

- No recommendation

#### Assessment criterion 14(c)(b):

There is evidence that this system is systematically applied, and reports are consistently followed up by law enforcement authorities.

**Conclusion:** No gap

**Red flag:** No

#### Qualitative analysis

There is a strict reporting requirement from procuring entities to the PPRA for any tenderers who breach the PPA and PPR. Section 83(2) of PPA, R.E. 2022 provides that where a procuring entity is satisfied, after due diligence, that any person or firm to which it is proposed that a tender be awarded, has engaged in fraudulent, collusive, coercive or obstructive practices in competing for the contract in question, the procuring entity shall reject a proposal for award of such contract; and report any person or tenderer, including its directors to PPRA for debarment and blacklisting. The PPA mandates PPRA to investigate the matter before debarment whereby tenderers are given opportunity to respond on the reported breach and when convicted tenderer will be debarred from public procurement. The most cases reported by PE are failure to implement contracts and fraudulent conduct by

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

tenderers, the evidence of debarred companies is available to Authority website (<https://www.ppra.go.tz/blacklisted-firms>).

PCCB systems of receiving allegations are systematically applied considering from year 2018/2019 to year 2022/2023. PCCB received a total number of 370 allegations on public procurement systems. Where follow up were made on these allegations through starting investigations on corruption matters and for those allegations which were not corruption related were transferred to relevant authority and feedbacks are being provided.

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 14(c)(c):

There is a system for suspension/debarment that ensures due process and is consistently applied.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The system is covered by Section 100, Section 83(3) and Section 62 of the PPA of 2011. Section 83 of the PPA R.E 2022 and Regulation 93 (1-3) of GN No.446 of 2013 require the PE or any person to report to PPRA the tenderer engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in procurement, award of contract or the execution of that contract. There are clear procedures for reporting corrupt, fraudulent, collusive, coercive, or obstructive practices in procurement and Authority acts for identify and reported cases. Investigation and forms are available in PPRA: website <https://www.ppra.go.tz/publications/debarment-guidelines#>. Debarred firms are published on the Authority's website (<https://www.ppra.go.tz/blacklisted-firms>).

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 14(c)(d):

There is evidence that the laws on fraud, corruption and other prohibited practices are being enforced in the country by application of stated penalties. \*

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The Authority conduct investigation on the breach of the PPA and PPR, whereby any violation in relation to fraud, corruption and other prohibited practices to staff are reported to the accounting officer or competent authority for appropriate action as stipulated in section 16 of the PPA Cap 410 R.E 2022. Further, the reports are submitted to the Prevention and Corruption Bureau for appropriate action as stipulated in Section 87 of the PPA Cap 410 R.E 2022.

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### Quantitative analysis

*\* Recommended quantitative indicator to substantiate assessment of sub-indicator 14(c) Assessment criterion (d):*

- *Firms/individuals found guilty of fraud and corruption in procurement: number of firms/individuals prosecuted/convicted; prohibited from participation in future procurements (suspended/debarred).*

*Source: Normative/regulatory function/anti-corruption body.*

- *Government officials found guilty of fraud and corruption in public procurement: number of officials prosecuted/convicted.*

*Source: Normative/regulatory function/anti-corruption body.*

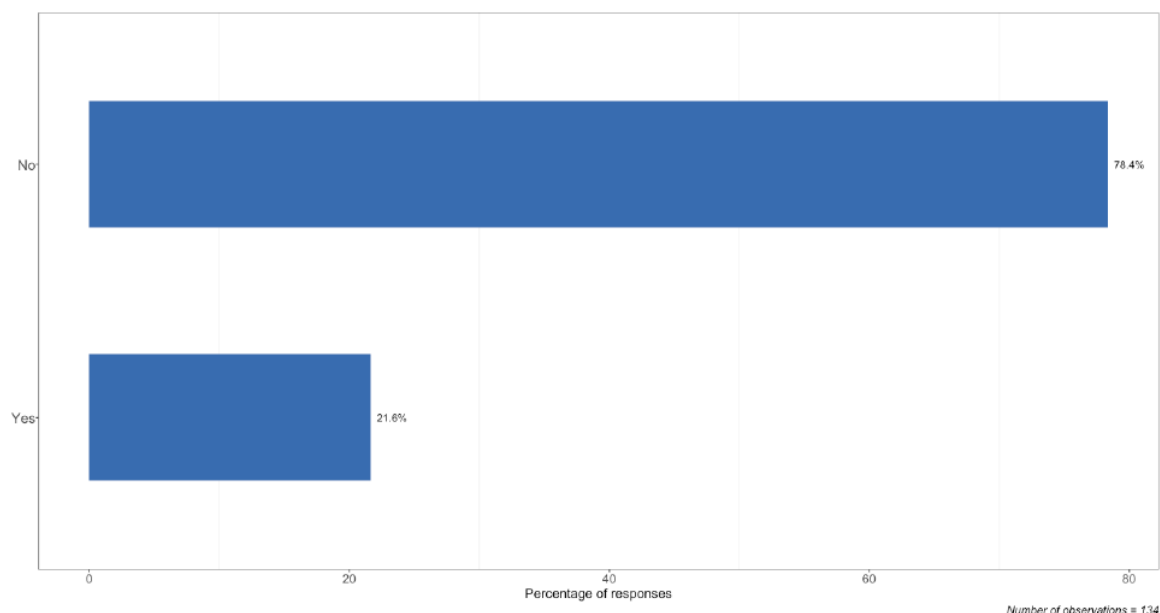
- *Gifts to secure public contracts: number of firms admitting to unethical practices, including making gifts in (in %).*

*Source: Survey.*

Data from PCCB indicates that from 2018/2019 to 2022/2023, a total number of 256 individuals were prosecuted for various corruption offences related to public procurement, out of which 71 were convicted and sentenced to pay fine, to jail or both. Among the prosecuted individuals, 246 were public officials, while among those convicted on corruption offences related to public procurement, 64 were government officials. PCCB further reports that as of year 2022/2023, 180 files on corruption allegations related on procurement were still under investigation.

Also, in a survey, private sector stakeholders were asked whether they have ever been in a situation where their firms ended up paying gifts or bribes to secure their business opportunity, where 78% said no while only 22% said yes.

**Question: Have you ever been in a situation where your firm ended paying gifts or bribes in order to secure your business opportunity?**



### Gap analysis

- No gap.



# Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

## Recommendations

- No recommendation.

## Sub-indicator 14(d)

### Anti-corruption framework and integrity training

#### Assessment criterion 14(d)(a):

The country has in place a comprehensive anti-corruption framework to prevent, detect and penalize corruption in government that involves the appropriate agencies of government with a level of responsibility and capacity to enable its responsibilities to be carried out.\*

**Conclusion:** Substantive gap

**Red flag:** Yes

#### Qualitative analysis

The country has in place a comprehensive institutional anti-corruption framework such as Article 9(h) of Constitution of the United Republic of Tanzania of 1977, PCCA [CAP 329 R.E 2022] and its Regulations of 2009, Economic and Organized Crime Control Act [CAP 200 R.E 2022], Anti-Money Laundering Act [CAP 423 R.E 2022], Penal Code [CAP 16 R.E 2022] the Proceeds of Crimes Act [CAP 256 R.E 2022], Public Service Act No.8 of 2022 and its Regulations, Public Leadership Code of Ethics Act [CAP 398 R.E 2020] and its Regulations, and of PPA Cap 410 R.E 2022.

The Constitution of the URT under Article 9(h) provides among other things, that the state authority and all its agencies are obliged to direct their policies and programmes towards ensuring that all forms of injustice, intimidation, discrimination, corruption, oppression, or favoritism are eradicated. To meet this constitutional requirement, several laws have been enacted and implemented. These include the Prevention and Combating of Corruption Act (PCCA), Cap 329 which provides for corruption offences. The PCCA, among other offences, provides for the offence of 'corrupt transactions in procurement' (Section 17) and tasks the PCCB with the duty to investigate and subject to the directives of the Director of the Public Prosecution (DPP), to prosecute offences under the Act. Other related offences provided include the use of documents intended to mislead principal (Section 22), persons obtaining advantage (Section 23), diversion (Section 29), abuse of position (Section 31) and conspiracy (Section 32).

Moreover, the PCCA tasks the PCCB with the function to examine the practices and procedures of public, parastatal and private organizations in order to facilitate the detection of corruption and advise on ways and means to prevent corruption or to reduce the incidences of corrupt practices. The PCCA also tasks the PCCB with the mandate to educate the public on the evils of corruption, and to promote and foster public support in combating corruption.

Further, The Tanzania has a National Anti-Corruption Strategy and Action Plan, currently in phase four (NACSAP IV, 2023-2030). Under NACSAP IV, there are Watchdog and Oversight Institutions (WOIs) i.e., PCCB, PPRA, National prosecution Services (NPS), Office of the Attorney General (OAG), President's Office Public Service Management and Good Governance (PO-PSMGG), Ethics Secretariat (ES), Commission for Human Right and Good Governance (CHRG), National Audit Office (NAO), Financial Intelligence Unit (FIU) charged with upholding integrity and undertaking anti-corruption initiatives in country, and Integrity Committees at institutional level. The responsibilities for these WOIs against corruption are described in their respective mandates.

#### Quantitative analysis

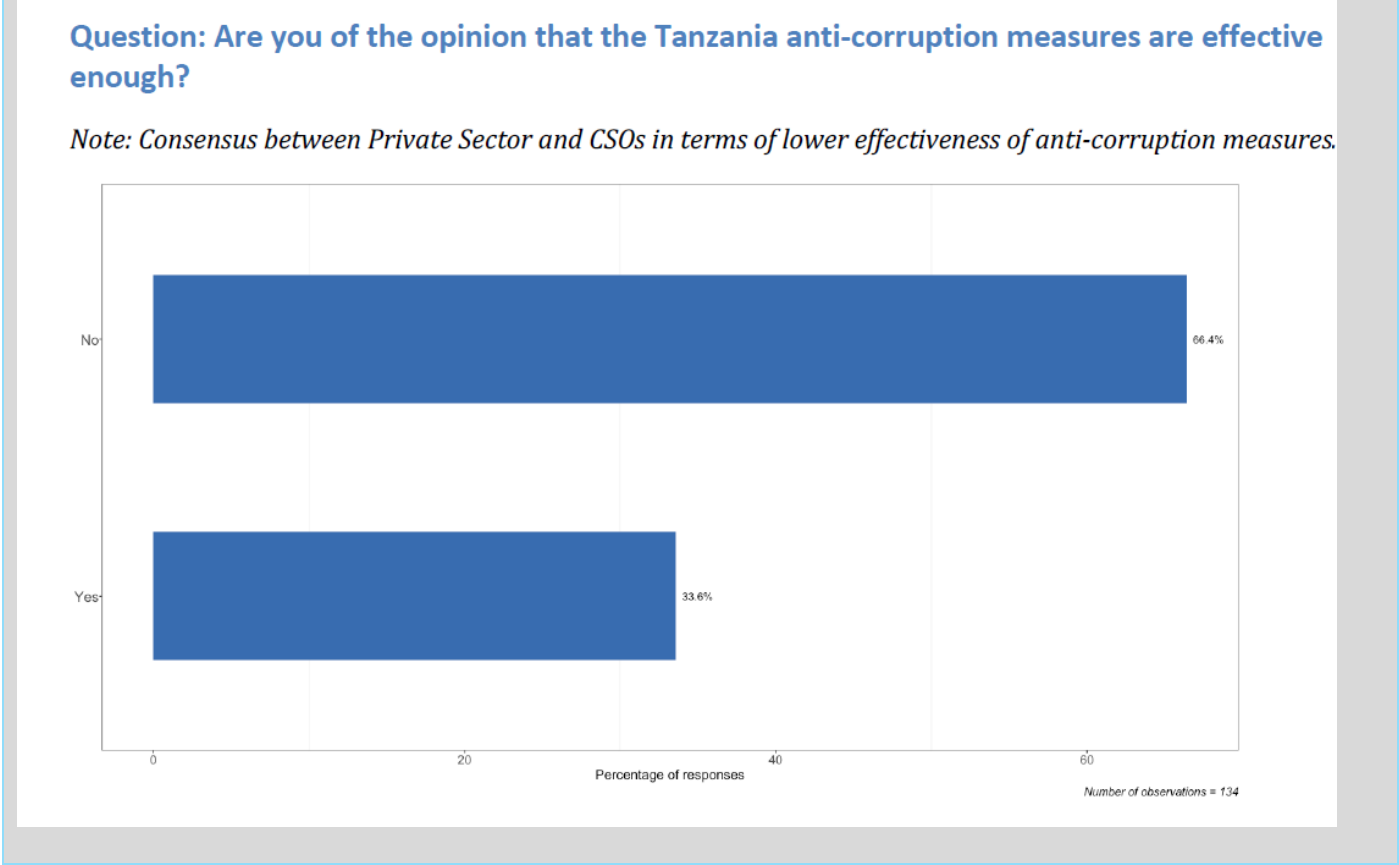
*\*Recommended quantitative indicator to substantiate assessment of sub-indicator 14(d) Assessment criterion (a):*  
- percentage of favourable opinions by the public on the effectiveness of anti-corruption measures (in % of responses).

Source: Survey.



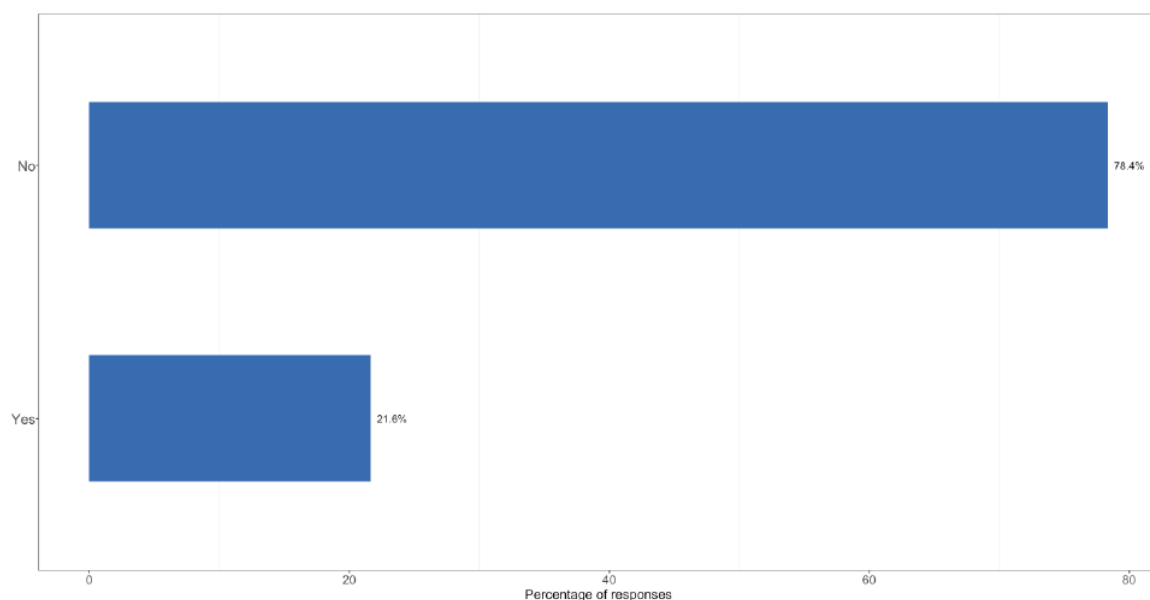
# Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

Survey data from stakeholders as presented in the charts below indicate that there is a consensus between Private Sector and CSOs in terms of lower effectiveness of anti-corruption measures. Among the surveyed private sector stakeholders, 66.4% indicated that Tanzania anti-corruption measures are not effective enough, while 51.4% of the CSOs expressed the same. The comparative charts are presented below.



## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

**Question: Have you ever been in a situation where your firm ended paying gifts or bribes in order to secure your business opportunity?**



### Gap analysis

- While Tanzania has a comprehensive anti-corruption framework involving various Watchdog and Oversight Institutions (WOIs), there are gaps in effectively implementing and coordinating anti-corruption efforts across these agencies. The private sector and CSOs survey shows significant gaps and lack of effectiveness (from more 51% - 66% not effective) of anti-corruption measures in the area of public procurement.

### Recommendations

- Enhance coordination and collaboration among the involved Watchdog and Oversight Institutions (WOIs) to ensure the effective implementation of anti-corruption measures and the prevention of corruption in government.

### Assessment criterion 14(d)(b):

As part of the anti-corruption framework, a mechanism is in place and is used for systematically identifying corruption risks and for mitigating these risks in the public procurement cycle.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

PCCA mandates PCCB to examine the practices and procedures of public, parastatal and private organizations to facilitate the detection of corruption and advise on ways and means to prevent corruption or to reduce the incidences of corrupt practices. PCCB has conducted studies to identify corruption in procurement and prepared corruption prevention guidelines in procurement and provide recommendations to responsible Authorities.

PPRA has mechanism in place whereby risk analysis is conducted on each audit reports conducted and allegations/complain on breach of PPA and PPR. The corruption red flags assessment is prepared on the Annual

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Performance Evaluation Report of PPRA. Corruption red flag reports are the Authority's focus for investigations and are also shared with Prevention and Combating of Corruption Bureau, National Audit Office, and the Procurement and Supplies Professionals and Technicians Board (PSPTB). See example of the corruption red flags assessment in the APER 2022-23.

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 14(d)(c):

As part of the anti-corruption framework, statistics on corruption-related legal proceedings and convictions are compiled and reports are published annually.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The Preventing and Combating of Corruption Bureau (PCCB) issues public notifications on the statistics of complaints received investigations and prosecution conducted on each quarter. Also, anti-corruption activities are reported on quarterly basis. The reports are available on PCCB's website at <https://www.pccb.go.tz/index.php/taarifa-kwa-umma/>. Also, the PCCB publishes a list of convicted persons on its website at <https://www.pccb.go.tz/index.php/2022/06/28/orodha-ya-waliohukumiwa-na-kupatikana-na-hatia-convicted-2019-2021/>. The PCCB's Strategic Plan 2022/23 - 2025/26 sets targets for conviction rate. There is also an electronic system (goCase) for capturing prosecution related data. Prosecution and conviction data are part of PCCB annual reports which are submitted to the President pursuant to Section 14 of the PCCA CAP 329 [R.E.2022]. The public is informed on convictions through various platforms including PCCB newsletter, website, social media, and press conferences.

### Gap analysis

- No gap.

### Recommendations

- No recommendation.

### Assessment criterion 14(d)(d):

Special measures are in place for the detection and prevention of corruption associated with procurement.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

The Authority has whistleblowing guidelines and forms used by whistleblowers to report information on the violation of PPA and PPR. The information is used to conduct investigation and recommending appropriate action to involved officials and individuals. The guideline is available to the Authority website (<https://www.ppra.go.tz/publications/whistleblowing-guidelines>) of which means of raising concerns are explained and contacts provided. Further, PPRA CAG has a feedback module on its website where complaints/allegations can be reported.

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The PCCB has signed an MOU with the PPRA aiming at collaborating in the prevention and combating of corruption. The scope of collaboration covers among others, analysis of corruption risks audit reports and preparation of action plans. PCCB has prepared and disseminated a Corruption Prevention Manual in Procurement to stakeholders. According to Regulation 78 of the PPR 2013, procuring entities and tenderers are required not to engage fraud and corruption in procurement processes. For instance, tenderers are required to sign and submit an integrity pledge as part of their tendering documents. Training on how to report corruption in procurement are conducted to stakeholders.

### Gap analysis

- No gap.

### Recommendations

- No recommendation.

### Assessment criterion 14(d)(e):

Special integrity training programmes are offered, and the procurement workforce regularly participates in this training.

**Conclusion:** Substantive gap

**Red flag:** Yes

### Qualitative analysis

PCCB does conduct training of public employees (including procurement personnel) on "Fighting Corruption at the Workplace" which entails knowledge on corruption offences (as per PCCA, Cap 329) that are also associated with procurement such as corrupt transactions in procurement (Section 17), use of documents intended to mislead principal (Section 22), obtaining advantage (Section 23), diversion (Section 29), abuse of position (Section 31) and conspiracy (Section 32).

The PPA has entrusted PPRA with the mandate to enhance capacity among stakeholders in the country on matters related to Public Procurement and continued to implement its Capacity Building Plan through conducting training and seminars that aimed at increasing awareness and enhance accountability, integrity, and transparency in Public Procurement System.

### Gap analysis

- The assessment revealed that there are no specific trainings on the integrity to stakeholders. It's a Red Flag because intervention required is beyond procurement system.

### Recommendations

- While PPRA conducts training programs on public procurement and related regulations. Develop and deliver special training programs on the integrity for a wider range of procurement stakeholders.
- Develop comprehensive and mandatory integrity e-Learning training modules and require public officials to undertake such trainings on regular basis (eg. annually or every two years); and establish appropriate incentives to ensure uptake of the courses, such as designated audit and reporting, and suspending access to NeST system for non-compliant officials.

### Sub-indicator 14(e)

#### Stakeholder support to strengthen integrity in procurement

### Assessment criterion 14(e)(a):

There are strong and credible civil society organizations that exercise social audit and control.

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<b>Conclusion:</b> Substantive gap
<b>Red flag:</b> Yes
<b>Qualitative analysis</b> <p>In general, there are civil society organizations, and they are relatively well developed. However, interest of CSOs vary. There is no provision procurement legislation empowers CSOs to exercise social audit and control in the procurement process. The law allows only limited observation opportunity to the civil society organizations and the public through tender opening ceremonies as well as access to published information such as General Procurement Notices and contract award decisions.</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>There is no provision in the procurement legislation that empowers CSOs to exercise social audit and control in the procurement process. The current level of citizen engagement in the procurement process, particularly in terms of social audit and control, are not fully effective in promoting transparency and accountability in procurement activities. It is a “Red Flag” as the implementation requires legislation amendment which is beyond procurement system.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>Improve transparency and accessibility of procurement information to facilitate greater citizen engagement and participation in social audit and control. Procurement legislation should have explicit provision empowers CSOs to exercise social audit and monitoring in the procurement process. This should go hand to hand with exercise of identifying and mapping CSOs which have interest in the procurement and/or governance.</li> </ul>
<b>Assessment criterion 14(e)(b):</b> <p>There is an enabling environment for civil society organizations to have a meaningful role as third-party monitors, including clear channels for engagement and feedback that are promoted by the government.</p>
<b>Conclusion:</b> Substantive gap
<b>Red flag:</b> Yes
<b>Qualitative analysis</b> <p>As explained under 14(e)(a) above, there is no provision procurement legislation empowers CSOs to have a meaningful role as third-party monitors including clear channels for engagement and feedback that are promoted by the government. The involvement of the civil society organization is limited in the observation tender opening ceremonies as well as access to published information such as General Procurement Notices and contract award decisions.</p> <p>The Public Procurement Regulatory Authority has mechanism of receive feedback from the stakeholders through the government’s online portal feedback platform (<a href="https://emrejesho.gov.go.tz/">https://emrejesho.gov.go.tz/</a>).</p>
<b>Gap analysis</b> <ul style="list-style-type: none"> <li>The procurement framework does not have provision to empower CSOs to have a meaningful role as third-party monitors in the procurement implementation. It is a “Red Flag” as the implementation requires legislation amendment which is beyond procurement system.</li> </ul>
<b>Recommendations</b> <ul style="list-style-type: none"> <li>Establish a mechanism for involvement of the CSOs to have a meaningful role as third-party monitors in the procurement implementation. As explained under 14(e)(a) above.</li> </ul>

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### Assessment criterion 14(e)(c):

There is evidence that civil society contributes to shape and improve integrity of public procurement. \*

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

As part of public stakeholders, CSOs are expected provide input, comments, and feedback to improve integrity in public procurement through the legislative process as well as through the feedback portal. CSOs are also expected to access publicly available procurement information, such as General Procurement Notices, advertised procurement opportunities and published contract awards. The government has received such inputs and feedback from CSOs while formulating changes in Public Procurement Act and Regulations, development of electronic procurement system (NeST) and during procurement process and contract implementation.

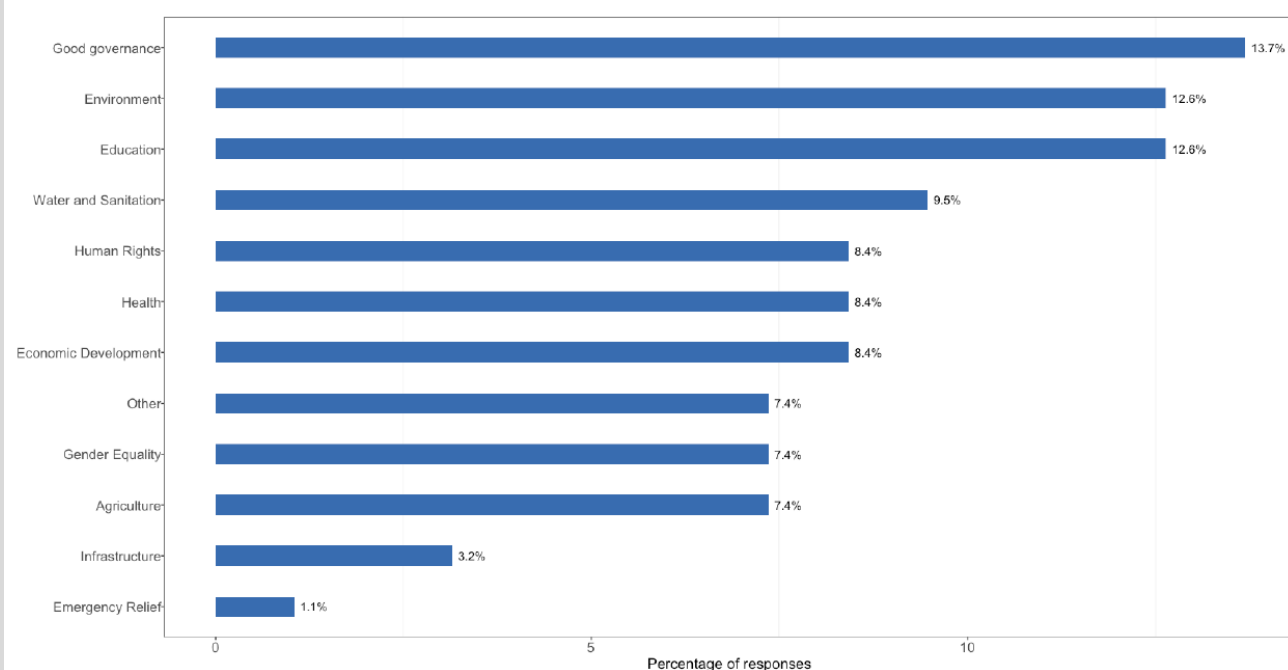
### Quantitative analysis

\* *Recommended quantitative indicator to substantiate assessment of sub-indicator 14(e) Assessment criterion (c):*  
- number of domestic civil society organizations (CSOs), including national offices of international CSOs) actively providing oversight and social control in public procurement.

Source: Survey/interviews.

The survey for CSOs requested the respondents to indicate the sector or sectors in which they are primarily involved. Majority of the respondents (about 14%) indicated to be involved in good governance (see chart below). Since the major issues in procurement relate to transparency, accountability and fairness in contract award decisions, and integrity and corruption, which are integral part of the good governance agenda, it can be inferred that there is a good number of CSOs involved in public procurement. However, no data was obtained indicating explicitly the number of CSOs actively providing oversight and social control in public procurement.

### Question: In which sector is your organization primarily involved?



Number of observations = 37

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### Gap analysis

- There is no evidence to conclude that civil society contributes to shape and improve integrity of public procurement.

### Recommendations

- Strengthen capacity-building initiatives for CSOs to enhance their understanding of procurement processes, integrity mechanisms, and their roles in providing effective oversight.
- Establish structured mechanisms for systematic collection, analysis, and utilization of feedback and input from CSOs in shaping and improving integrity in public procurement, including regular consultations, workshops, and forums dedicated to fostering collaboration between CSOs and procurement authorities.

### Assessment criterion 14(e)(d):

Suppliers and business associations actively support integrity and ethical behavior in public procurement, e.g. through internal compliance measures. \*

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

Reg. 78(2) (5) of PPR of 2013 (as amended) requires both procuring entity and tenders to refrain from engaging in fraud and corruption. Tenderers are also required to fill an Integrity and Anti-Bribery form during tendering committing that the suppliers will not offer or facilitate, directly or indirectly, any improper inducement or reward to any public officer their relations or business associates in connection with its tender, and that the bidder has Anti-Bribery Policy/Code of Conduct and a Compliance Program.

### Quantitative analysis

*\* Recommended quantitative indicator to substantiate assessment of sub-indicator 14(e) Assessment criterion (d):  
- number of suppliers that have internal compliance measures in place (in %).*

*Source: Supplier database.*

No data was available regarding the number of suppliers that have internal compliance measures in place. According to the PPRA, there is currently no requirement for disclosure of suppliers' internal compliance measures.

### Gap analysis

- Lack of comprehensive data on the suppliers with internal compliance measures in place hinders the assessment of the effectiveness of these measures in promoting integrity and ethical behavior in public procurement.

### Recommendations

- Design and implement a suppliers integrity program, along with strengthening monitoring and enforcement mechanisms to ensure effective compliance. Suppliers should demonstrate they internal compliance measures in place including evidence while registering in NeST. PPRA should facilitate such window in NeST and should be mandatory to all suppliers.

### Sub-indicator 14(f)

**Secure mechanism for reporting prohibited practices or unethical behavior**

**Assessment criterion 14(f)(a):**

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There are secure, accessible, and confidential channels for reporting cases of fraud, corruption or other prohibited practices or unethical behavior.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

PCCB has secure, accessible and confidential channels for reporting cases of fraud, corruption or other prohibited practices or unethical behaviors. The public is educated on the evils of corruption, the protection of whistleblowers and witnesses, and encouraged to report acts of corruption via 113 toll free number, the PCCB website, letters to the Director General, emails or at nearest PCCB Offices and anonymously through our intelligence means.

PPRA has whistleblowing guidelines and form used by whistleblower to report information on the violation of PPA and PPR. The whistleblower information is used to conduct investigation and recommend appropriate action to staff involved. The guideline is available to the Authority website (<https://www.ppra.go.tz/publications/whistleblowing-guidelines>). Further, CAG and PCCB has feedback module in its website whereby complaints/allegation could be report and feedback are provided to complainants.

### Gap analysis

- No gap.

### Recommendations

- No gap.

### Assessment criterion 14(f)(b):

There are legal provisions to protect whistle-blowers, and these are considered effective.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

Sections 51 and 52 of the Prevention and Combating of Corruption Act [CAP 329 R.E 2022], the Whistle Blowers and Witness Protection Act CAP 446 [R.E.2022] and Whistle Blowers and Witness Protection Regulations of 2023. PPRA has Public Procurement Whistleblowing Guidelines, 2021 made under Section 106 of the PPA Cap 410 R.E 2022 to ensure protection of whistle blowers. The guidelines outline ways in which public procurement stakeholders can submit to the Authority concerns about wrongdoing in public procurement and encourages members of the public to exercise their civic rights in line with this guideline.

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 14(f)(c):

There is a functioning system that serves to follow up on disclosures.

**Conclusion:** No gap

**Red flag:** No



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## Qualitative analysis

For the PCCB, there is a system that captures all disclosures. There are specific offices in charge for that role which are the Call Centre and the Information Centre. After capturing analyses are made to determine which disclosures are related to corruption and channeled for investigation. In addition, matters not related to corruption are referred to appropriate authorities. Scope of the MoU between PPRA and PCCB also covers information sharing, hence the PCCB systematically receives information on corruption in procurement from the PPRA. The PCCB provides feedback to informers on the status of the disclosures.

The Authority has whistleblowing guidelines and form which used by whistleblower to report information on the violation of PPA and PPR. The information is used to conduct investigation and recommend appropriate action to staff involved. The complaints/allegations submitted are reviewed appropriately and actions are taken. The guideline is available on the Authority website at <https://www.ppra.go.tz/publications/whistleblowing-guidelines>. Further, the Authority has a feedback module on its website where complaints/allegation can be reported, and feedback provided to the complainants.

## Gap analysis

- No gap.

## Recommendations

- No recommendation.

## Sub-indicator 14(g)

### Codes of conduct/codes of ethics and financial disclosure rules

#### Assessment criterion 14(g)(a):

There is a code of conduct or ethics for government officials, with particular provisions for those involved in public financial management, including procurement.\*

**Conclusion:** No gap

**Red flag:** No

## Qualitative analysis

Tanzania has Code of Ethics and Conduct for Public Officers and Tenderers engaging in Public Procurement, 2021 which was made under Section 105 of the PPA Cap 410 R.E 2022. The code of ethics and conduct stipulates obligation of the public officers engaging in public procurement, ethical obligations for tenderers, prohibitions to public officers and prohibition of tenderers.

## Quantitative analysis

*\* Recommended quantitative indicator to substantiate assessment of sub-indicator 14(g) Assessment criterion (a): - share of procurement entities that have a mandatory code of conduct or ethics, with particular provisions for those involved in public financial management, including procurement (in % of total number of procuring entities).*

*Source: Normative/regulatory function.*

In Tanzania, there is only code of ethics and conduct at national level, codified under the Code of Ethics for Public Officers and Tenderers Engaging in Procurement, 2021. All procuring entities are subject to this code, and therefore, it can be concluded that 100% of the PEs have a mandatory code of ethics and conduct published by the Ministry of Finance.

## Gap analysis

- No gap.

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

### Recommendations

- No recommendation

### Assessment criterion 14(g)(b):

The code defines accountability for decision making, and subjects decision makers to specific financial disclosure requirements. \*

**Conclusion:** Minor gap

**Red flag:** No

### Qualitative analysis

The Code of Ethics and Conduct for Public Officers defines accountability and obligations for public officials as well as tenderers. In addition, it requires disclosure of conflict of interest by public officials and adherence to professional etiquette in handling procurement activities. Paragraph 55 of the Code requires that public officer directly involved in procurement processes shall fill in and duly sign a Declaration and Commitment Form provided for in Form No. 1 of the Schedule to the Code. Although the Ethics and Conduct for Public Officers does not have specific requirements for financial disclosures, the Public Leadership Code of Ethics Act CAP 398 R.E. 2020 requires any public leader (and their spouses and children) to declare assets and liabilities (Sections 9 & 11) to the President's Office-Ethics Secretariat. The list of public leaders subject to this disclosure as defined in Section. 4(1) of the Public Leadership Code of Ethics Act CAP 398 R.E. 2020.

### Quantitative analysis

*\* Recommended quantitative indicator to substantiate assessment of sub-indicator 14(g) Assessment criterion (b):  
- officials involved in public procurement that have filed financial disclosure forms (in % of total required by law).  
Source: Normative/regulatory function.*

No data was availed regarding officials involved in public procurement that have filed financial disclosure forms.

### Gap analysis

- While the Code of Ethics and Conduct for Public Officers defines accountability and obligations for public officials as well as tenderers, there is no legal requirement for reporting and disclosure of financial interests by officials involved in public procurement decisions.

### Recommendations

- Enhance transparency and accountability in procurement decision making by implementing mechanisms for requiring, tracking, and monitoring the filing of financial disclosure forms by officials involved in public procurement decisions.

### Assessment criterion 14(g)(c):

The code is of mandatory, and the consequences of any failure to comply are administrative or criminal.

**Conclusion:** No gap

**Red flag:** No

### Qualitative analysis

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The Code of Ethics and Conduct are mandatory to both public officers and tenderers. Section 54 of Code of Ethics and Conduct for Public Officers and Tenderers engaging in Public Procurement, 2021 stipulates that a public officer who contravenes the provisions of the Code shall be dealt with under the Public Procurement Act, the Public Service Act, the Public Leadership Code of Ethics Act, the Prevention and Combating of Corruption Act or any other relevant law. The section further stipulates that a tenderer who fails to comply with the Code shall be dealt with under the Public Procurement Act, the Prevention and Combating of Corruption Act or any other relevant law of the time being in force. The Code further stipulates reporting mechanism whereby violation of the Code shall be reported to the Accounting Officer or to the disciplinary authority, and when breach of the Code is done by Accounting Officer, the breach shall be reported to the disciplinary authority for appropriate actions. When breach of the Code involves a tenderer, the Accounting Officer shall report to the Authority (PPRA) and initiate debarment process.

### Gap analysis

- No gap

### Recommendations

- No recommendation

### Assessment criterion 14(g)(d):

Regular training programmes are offered to ensure sustained awareness and implementation of measures.

**Conclusion:** Substantive gap

**Red flag:** No

### Qualitative analysis

The mandate to provide procurement-related training has been vested on the PPRA. However, there is no evidence to indicate that PPRA provides training on ethics and code of conduct in procurement processes.

### Gap analysis

- While the Public Procurement Regulatory Authority (PPRA) conducts training programs on public procurement and related regulations, there is a need to expand the scope of the training program to adequately include ethics and code of conduct.

### Recommendations

- Expand training programs and communication strategy to cover codes of conduct/codes of ethics to the procurement officers and those involved in making decision on the procurement matters.
- Develop comprehensive and mandatory ethics e-Learning training modules and require public officials and bidders to undertake such trainings on regular basis (eg. annually or every two years); and establish appropriate incentives to ensure uptake of the courses, such as designated audit and reporting, and suspending access to NeST system for non-compliant officials.

### Assessment criterion 14(g)(e):

Conflict of interest statements, financial disclosure forms and information on beneficial ownership are systematically filed, accessible and utilized by decision makers to prevent corruption risks throughout the public procurement cycle.

**Conclusion:** Substantive gap

**Red flag:** No

## Pillar IV. Accountability, Integrity and Transparency of the Public Procurement System

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### Qualitative analysis

Section 55 of the Code requires that public officer directly involved in procurement processes shall fill in and duly sign a Declaration and Commitment Form provided for in Form No. I of the Schedule to the Code. There is no evidence to indicate how the Declaration and Commitment Forms are accessible and utilized by decision makers to prevent corruption risks throughout the public procurement cycle. There is neither specific requirement for completing and maintain financial disclosure forms and maintain register on the conflict of interest. The laws do not have requirement to capture information on beneficial ownership in the procurement cycle. However, the current electronic procurement system has requirements to register beneficiaries and shareholders of the companies. The electronic procurement system is integrated with the Business Registrations and License Agency which register companies and owners.

Section 20 and 21 of the Public Audit Regulations requires the officers of the National Audit Office to avoid conflict on interest in handling audit matters. And staff to report to CAG on any commitments and relationships that may interfere or jeopardize their integrity as independent auditors. The CAG is required to maintain conflict of interest register.

### Gap analysis

- Insufficient transparency and accountability in the monitoring and evaluation of potential conflicts of interests by public officials, potentially hindering their ability to effectively enhance public confidence and integrity.

### Recommendations

- Amend the Code of Ethics and Conduct for Public Officers and Tenderers 2021 by requiring public officials involved in procurement processes (including Accounting Officers, procurement staff, tender board members and user departments) to file conflict of interest statements, financial disclosure forms and information on beneficial ownership.
- Implement an effective disclosure program where the declarations of conflict of interest, financial disclosures and information on beneficial ownership can be accessible and utilized by decision makers to prevent corruption risks throughout the public procurement cycle.



# MAPS

Methodology for Assessing  
Procurement Systems

## TANZANIA

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# Assessment of the Public Procurement system

### Volume III: Annexes

FEBRUARY 2025






## ANNEXES

Annex #	Description	Attachment
1.	Government Request Letter for MAPS Assessment	 1. Government Request.pdf
2.	World Bank acceptance for MAPS Assessment	 2. WB Acceptance.pdf
3.	Concept Note as Approved by the MAPS Secretariat	 3. Concept Note-Approved by the
4.	Steering Committee Terms of Reference	 4. MAPS ASC Steering Committee T
5.	Minutes of Steering Committee's 1st Meeting	 5. 1ST MAPS ASC Meeting Minutes.pdf
6.	Minutes of Steering Committee's 2nd Meeting	 6. 2ND MAPS ASC Meeting Minutes.pdf
7.	Minutes of Steering Committee's 3rd Meeting	 7. 3RD MAPS ASC Meeting Minutes.pdf
8.	Minutes of Steering Committee's 4th Meeting	 8. 4TH MAPS ASC Meeting Minutes.pdf
9.	Letter to 20 Selected Procuring Entities for Sample-Based Data (100 Cases)	 9. Sample-based data-Letter to 20 PEs.t
10.	Aggregated Results of Analysed Data from the 100 Cases Sample	 10. Sample-based data-Analysis.pptx
11.	Survey Results for Private Sector Stakeholders	 11. Survey results_Private Sector
12.	Survey Results for Civil Society Organizations	 12. Survey results_CS_O Stakeholi

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13.	List of Stakeholders Invited to MAPS Inception Workshop	 13. MAPS Inception Workshop-Participant
14.	List of Stakeholders Invited to MAPS Stakeholders Workshop	 14. MAPS Stakeholders Workshop
15.	List of Stakeholders Invited to MAPS Validation Workshop	 15. MAPS Validation Workshop Participant