



PMO-RALG

**ENHANCEMENT OF PROCUREMENT CAPACITY OF
LOCAL GOVERNMENT AUTHORITIES PROJECT (EPC-LGAP)**

ANNUAL REPORT N° 1

COMBINED INCEPTION & RESULTS REPORT 2012

PROJECT TAN 11 026 11

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ACRONYMS

ADB	African Development Bank
ALAT	Association of Local Authorities Tanzania
APP	Annual Procurement Plan
BLS	Base Line Study
BTC	Belgian Technical Cooperation
CAG	Controller and Auditor General
CB	Capacity Building
CBG	Capacity Building Grant
CBP	Capacity Building Plan
CDG	Capital Development Grant
CDR	Council Development Report
CFR	Council Financial Report
CPI	Compliance & Performance Indicator
CSO	Civil Society Organisation
D by D	Decentralisation by Devolution
DC	District Council
DCDO	District Community Development Officer
DE	District Engineer
DED	District Executive Director
DEO	District Education Officer
DIA	District Internal Auditor
DLG	District Local Government
DHRO	District Human Resource Officer
DPLO	District Planning Officer
DT	District Treasurer
DWE	District Water Engineer
EPC-LGAP	Enhancement of Procurement Capacity of Local Government Authorities Project
EPICOR	Accountancy software used for Integrated Financial Management System
FAPEC	Committee for Finance, Administration, Planning and Economy
FC	Financial Controller
FTE	Full Time Equivalent
FWC	Framework Contract
GoT	Government of Tanzania
HLG	Higher Local Government
HRM/D	Human Resource Management and Development
IA	Internal Auditor
IAG	Internal Auditor General
ICT	Information & Communication Technology
IDCP	Indicative Development Cooperation Programme
IGFT	Inter Government Fiscal Transfer
ISE	International Sector Expert
IT	Information Technology
JICA	Japan
JLPC	Joint Local Partners Committee
KPI	Key Performance Indicator
LAAC	Local Authorities Audit Committee
LED	Local Economic Development
LF	Logical Framework
LFM	Logical Framework Matrix
LGA	Local Government Authority
LGAMS	Local Government Authority Management Section
LGCDG	Local Government Capital Development Grant
LGDG	Local Government Development Grant
LGRP	Local Government Reform Programme
LGTI	Local Government Training Institute Hombolo
LLG	Lower Local Government
LPO	Local Purchase Order
LTI	Lead Training Institute

MDA	Ministries, Departments and Agencies
M&E	Monitoring and Evaluation
MKUKUTA	Swahili Acronym for “Tanzania Strategy for Growth and Reduction of Poverty” (Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania)
MoF	Ministry of Finance
MSD	Medical Stores Department
MTEF	Medium Term Expenditure Framework
MTR	Mid-Term Review
NACTE	National Council of Technical Education
NAO	National Audit Office
NGO	Non-Governmental Organization
OC	Other Charges
OA	Organisational Assessment
OECD	Organisation for Economic Cooperation and Development
OO	Overall Objective
OPRAS	Open Performance Review and Appraisal System
PC	Project Coordinator
PCCB	Prevention and Combating of Corruption Bureau
PE	Personnel Emolument
PE	Procuring Entity
PEDP	Primary Education Development Programme
PIU	Project Implementation Unit
PlanRep	Planning and Reporting System (LGA)
PFMRP	Public Financial Management Reform Programme
PMIS	Procurement Management Information System
PMO-RALG	Prime Minister’s Office Regional Administration and Local Government
PMU	Procurement Management Unit
PO-PSM	President’s Office – Public Sector Management
PPA	Public Procurement Act
PPPD	Public Procurement Policy Division
PPRA	Public Procurement Regulatory Authority
PSO	Private Sector Organisation
PSPTB	Procurement Supplies Professionals and Technicians Board
QA	Quality Assurance
QTP	Qualified Training Provider
RAS	Regional Administrative Secretary
RS	Regional Secretariat
SMC	School Management Committee
SO	Specific Objective
SU	Service Unit
TA	Technical Assistance
TASAF	Tanzania Social Action Fund
TCCIA	Tanzania Chamber for Commerce Industry and Agriculture
TCU	Tanzania Council of Universities
TE	Training Entity
TFF	Technical and Financial File
TNA	Training Needs Assessment
ToR	Terms of Reference
ToC	Training of Coaches
ToT	Training of Trainers
VA	Village Assembly
VC	Village Council
VEO	Village Executive Officer
VPC	Village Project Committee
WEO	Ward Executive Officer

1 INTERVENTION AT A GLANCE

The Enhancement of Procurement Capacity of Local Government Authorities Project (EPC-LGAP) responds to four procurement capacity needs of Local Government Authorities (LGA), namely:

- i) To strengthen capacity and coordination of central-level institutions responsible for capacity building, monitoring, quality assurance, supervision and compliance enforcement in LGA procurement;
- ii) To strengthen LGAs capacity (systems, tools, staff, skills, structures, leadership) for compliant, transparent, efficient and effective procurement management;
- iii) To improve on accountability and voice of the end-users in LGA procurement; and
- iv) To inform policy makers on the outcome of LGA procurement practices to strengthen policy dialogue, institutional reform and decision-making.

The project contributes to Goal No 1 of MKUKUTA Cluster III: *“Ensuring systems and structures of governance uphold the rule of law and are democratic, effective, accountable, predictable, transparent, inclusive and corruption free at all levels”* with the specific objective of *“Procurement capacity at Local Government level is sustainably enhanced”*.

Following the signing of the Specific Agreement in December 2011 and commencement of the project in June 2012, the start-up & inception phase has almost been completed. Pre-conditions to commence operations are finalised including the set-up of the Project Implementation Unit (PIU) comprising Government of Tanzania (GoT seconded staff and BTC recruited staff, establishment of the Joint Local Partners Committee (JLPC), set-up and introduction of project management systems based on the developed Project Implementation Manual (PIM), introduction of the project to partners and stakeholders, formulation of the capacity building Concept Note, organisation assessments of the three implementing institutions (Public Procurement Regulatory Authority - PPRA; Prime Minister's Office Regional Administration and Local Government – PMO-RALG; and Hombolo Local Government Training Institute - LGTI), and fieldwork and draft report of the project Base Line Study (BLS). The PIU has prepared the first operational plan and budget for 2013, which was approved by the JLPC in January 2013 and operations have started. Operations are expected to gain momentum following the formulation of the LGA procurement capacity building strategy and action plan, which is scheduled for the 2nd quarter of 2013.

The EPC-LGAP is aligned to the decentralisation policy of Decentralisation-by-Devolution (D-by-D) by which considerable powers, functions and resources for local service delivery are devolved to the local government authorities. The project further supports reform under the Public Procurement Act of 2004 and subsequent amendments (PPA 2011), which provides the legal and institutional framework for decentralised procurement to decentralised Procuring Entities (PE) including the LGAs. Government is in the process of revising the procurement regulations based on PPA 2011 and formulating the Procurement Policy.

The procurement capacity of the LGAs is relatively low compared to Ministries, Departments and Agencies (MDA) and actually almost stagnant since procurement reform was introduced in 2004 as indicated by procurement monitoring and audit reports (PPRA; CAG) as well as recent studies conducted by the project and others. This makes the project relevant and five (initially four) strategic result areas (outputs) have been formulated to support the higher level objectives. Strengthening of LGA procurement capacity through introduction of customized systems development, professionalization of the procurement function, and systematic procurement training of LGA staff and officials (procurement practitioners) is addressed in project result area No. 1 *“LGA procurement performance strengthened”*. The harmonization of the various procurement M&E systems, internal and external quality assurance systems as well as follow-up to procurement audits is addressed in

project result area No 2 “*Strengthened systems for monitoring of LGA procurement performance*”. The project supports enhanced voice and accountability in LGA procurement through result No 3 “*Community members better informed and able to monitor Local Government procurement performance*”. Result area No 4 “*Capacity to provide long-term support to improve LGA procurement performance strengthened*” was unbundled from the initial result area No 1 and introduced to address issues of coordination and quality assurance of LGA training, strengthening of the procurement audit functions as well as PPRA’s outreach to LGAs. Lessons learned and best practices are identified through result No 5 “*Action research on LGA procurement practices, incentives and organizational structures conducted to inform program design, policy dialogue and recommendations on reform*”.

The project has a national scope while focusing initial capacity building activities to selected LGAs that have been established in the start-up phase through the base line study and analysis of procurement M&E data. Selection criteria included low LGA procurement capacity, outreach capacity of PPRA, presence of BTC and reach by the project. LGAs in Coast, Kigoma, Dodoma and Tanga regions have been identified for the intensive capacity building package and follow-up action research. In these four regions all HLGAs, selected LLGAs and selected service units will be covered in the initial operations and testing of the capacity building approach. The project envisages that procurement capacity development will be incremental i.e. achievements will be progressive, but differ between LGAs and not be uniform in all capacity areas depending on the ability, responsiveness and willingness of the beneficiary institutions to change. The project will also generate practical, skills-based products and services (including revised procurement and contract management training manuals, training dissemination package, introduction of standard procurement guide for LLGs, etc) for generic use and application by beneficiary institutions i.e. HLGs, LLGs, and the Local Government Authority Management Section (LGAMS) in the office of the Regional Administrative Secretary (RAS). This is expected to lead to improved LGA procurement management practices in selected LGAs in terms of compliance to national procurement standards (procurement plan, reports, records, use of procurement methods, quality assurance and contract implementation), increased procurement efficiency (transparency, competitiveness, reduced transaction costs) and improved procurement outcomes (effectiveness) in terms of better unit acquisition costs and Value for Money.

Direct beneficiaries of the project at decentralized level include:

- i) Selected *Higher Local Government Authorities in four pilot regions*: Staff of Procurement Management Units, Internal Auditors, Financial staff, members of Council Tender Boards, Heads of Departments, Ward Executive Officers, and Council Committee Members involved in supervising and overseeing procurement
- ii) Selected *Lower Local Government Authorities*: Village and “Mitaa” Executive Officers, Chairpersons and selected members of Village Councils; and
- iii) *Regional Administrative Secretariat*: staff of the LGAMS, PMU and Internal Audit Unit.

The project is implemented on the basis of the partnership principles of the Belgium Development Co-operation in Tanzania. The main project partners - each with distinct roles and responsibilities in project governance, coordination and implementation- include Ministry of Finance (MoF, Internal Auditor General for LGAs), Resident Representative BTC, Public Procurement Regulatory Authority (PPRA), Prime Minister’s Office Local Regional Administration and Local Government (PMO-RALG), Prevention and Combatting of Corruption Bureau (PCCB), National Audit Office/Controller & Auditor General (NAO, CAG), President’s Office Public Sector Management (PO-PSM); and Public Procurement Policy Division (PPPD), Hombolo LGTI as well as public and private Training Entities.

This report combines the Inception Report and Annual Results Report for 2012 and includes recommended changes in project set-up, design and interventions following desk review, field missions, Organisation Assessments and Base Line Study.

1.1 Project Form

Project name	Enhancement of Procurement Capacity of Local Government Authorities Project (EPC-LGAP)
Project Code	TAN 11 026 11
Location	Tanzania
Budget	€ 5,000,000 (Belgium); € 264,000 (GoT)
Partner Institution	Public Procurement Regulatory Authority (PPRA)
Date of Specific Agreement	8 December 2011
Duration (months)	60
Target groups	Elected officials and staff of selected Higher and Lower Local Governments; CSOs; media
Impact ¹	Ensuring systems and structures of governance uphold the rule of law and are democratic, effective, accountable, predictable, transparent, inclusive and corruption free at all levels
Outcome (Specific Objective)	Procurement capacity at local government level sustainably enhanced
Outputs (Results)	LGA procurement performance strengthened
	Systems for monitoring and quality assurance of LGA procurement strengthened
	Community members better informed and able to monitor Local Government procurement performance
	Capacity to provide long-term support to improved LGA procurement performance strengthened
	Action research on LGA procurement practices, incentives and organizational structures conducted to inform program design, dialogue and recommendations on policy reform

1.2 Project Performance

It is too early to rate the performance of the project as the start-up phase has just been completed and operations started in January 2013. There have been a slight time over-run in completion of the Base Line Study report. The PIU scores itself as B (good performance) in efficiency and effectiveness of project cycle management as all planned start-up activities have been completed. The LGA procurement capacity building strategy formulation workshop, which had to be brought forward in relation to delays in finalising the BLS report. The table below shows the project performance as rated² by the the Project Implementation Unit.

	Efficiency	Effectiveness	Sustainability
Outcome			
Output 1			
Output 2			
Output 3			
Output 4	B	B	
Output 5			
PCM	B	B	

¹ Impact is a synonym for global objective, Outcome is a synonym for specific objective, output is a synonym for result

² A = Very good performance, B = Good performance, C = Weak performance, D = problematic

1.3 Budget Execution

No operations were foreseen for 2012 and expenditure mainly included office set-up included investments (office and IT equipment, means of transport), staff costs, trainings, office running costs and organisation assessment mission (all own-management modality. The Base Line Study contract was signed, but payments will be effected in the first quarter of 2013. The table below shows budget execution as at 31st December 2012:

Total Budget (BTC)	Expenditure 2012	Balance	Total Disbursement rate
€ 5,000,000	€ 275,061	€ 4,724,939	5.5%

1.4 Summary

The main project results to date are as follows:

Pre-conditions for the operational phase of the project are in place and first operational plan started in January 2013
The project reinforced the working relations and collaboration between the three implementing institutions: Public Procurement Regulatory Authority (PPRA), Prime-Minister's Office Regional Administration and Local Government (PMO-RALG) and Hombolo Local Government Training Institute (HLGTI)
The project was well received by all partners as being "timely and needed" to improve LGA procurement compliance and performance to strengthen LG service delivery
Planned project outputs of 2012 (studies) completed to feed in the planned LGA Procurement Capacity Building Strategy to guide operations, monitoring and learning during implementation

National execution official	BTC execution official
Name: Dr. L. M. Shirima	Name: F. Raijmakers
Signature:	Signature:

2 ANALYSIS OF THE INTERVENTION

The following sections describe the project environment and highlight major changes and developments and proposed project response since the formulation of the project as identified through desk review, project missions and studies.

2.1 Context

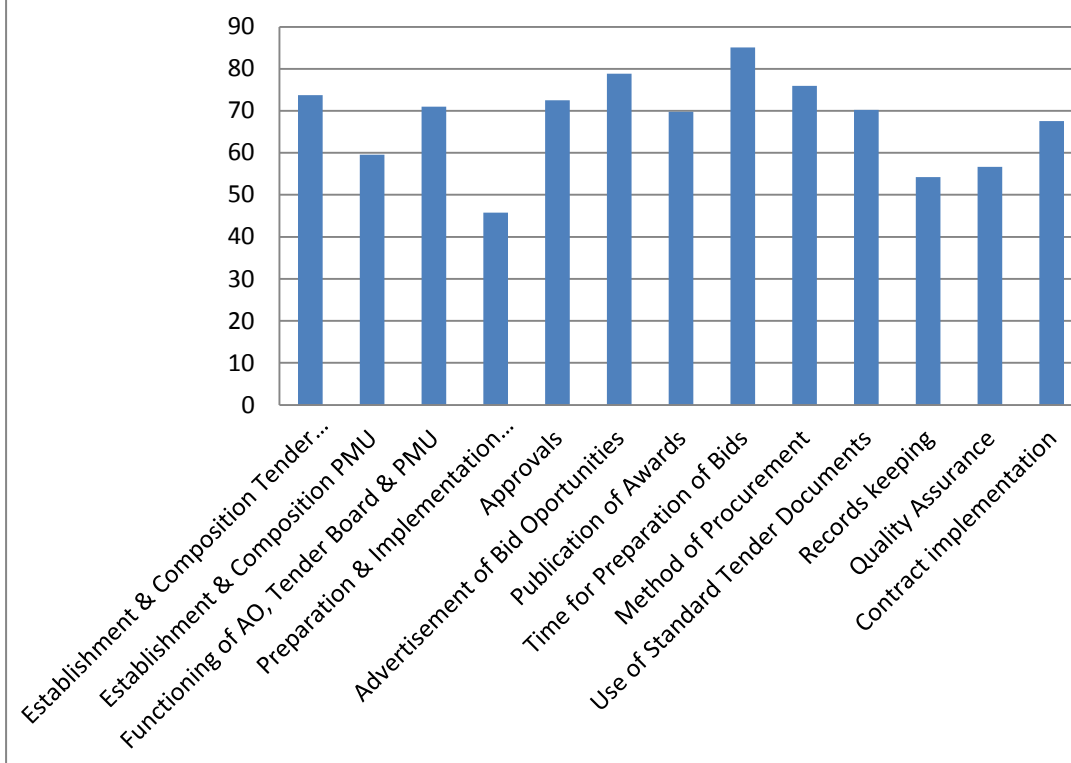
2.1.1 General context

1. Responsibility for local service delivery and administration in Tanzania is devolved to Local Governments (LG). Currently there are 168 Local Government Authorities (LGA) in mainland Tanzania compared to 133 at the time of project formulation. Around one-fifth of the budget of the Government of Tanzania is devolved to Local Governments as part of the *Fiscal Decentralisation policy* through Inter Government Fiscal Transfers (IFGT). *LGA's own-source revenue* accounts for 3-7% of the budget depending on type of LG (rural, urban). A considerable part of the Local Government budget is spent through public procurement including Other Charges (Recurrent Budget) and investment expenditure (Development Budget).
2. There is a whole set of legislation in relation to the Tanzania Local Government system, but fiscal allocations are not anchored in the legal framework. This is different to other countries whereby IGTFs are included in the Constitution, for instance Kenya, South Africa (36% of government revenue) or several Asian countries (well above 40%). Delivery of local services in the expected quantity, quality and standards is constrained by inadequate resources. This makes more efficient and effective procurement an important policy objective to cut costs and generate savings.
3. Fiscal decentralization goes together with other LG reform, in particular *devolved authority for planning & budgeting as well as democratic accountability (political decentralisation)*. The Local Councils include city, municipal and district Councils (Higher Local Governments) as well as village and Mtaa Councils (Lower Local Governments). There is an intermediate level of governance (Wards) which are deconcentrated units of the Higher Local Governments for coordination and interfacing with the LLGs. Communities elect the Chairman and members of Village and Mtaa Councils, which is ultimately governed by the Village Assembly (rural councils) or "Urban Area Street Meeting" (urban councils). District Councillors are elected at Ward level. Village Chairmen are represented in the Ward Coordination Committee, which is chaired by the Ward Councillor. Least progress has been realised over the past years in *administrative decentralisation*. The authority for LGA Human Resource Management has been swinging between central and local level. The central government plays an important role in LGA staffing under public service management provisions.
4. In practice the autonomy of Councils with regard to planning and budgeting differs from theory as reported in various studies and evaluations. A good part of the IGTFs is 'earmarked' as part of the MKUKUTA framework, formula for grants allocations are not always adhered to – in particular for recurrent budget- and after approval of budgets by Councils changes are made by Parliament. Budget discretion of the LGAs is limited to the Capital Development Grant (CDG), Capacity Building Grant (CBG) – combined around 5% of budget- and use of own-source revenue. This reduces the responsiveness of the Councils to needs identified through the O&OD planning process (Opportunities and Obstacles to Development). Even the Capital Development Grant is less discretionary than intended: across the board around 50% is used

for investments in secondary school infrastructure at ward level reducing resources to respond to other needs of the communities.

5. The Public Procurement Act (PPA) requires all Procuring Entities (PE) including the LGAs to establish a Procurement Management Unit (PMU). Many PMUs in LGAs have not been established as required per PPA and operate as a committee. This poses challenges in terms of administrative supervision, answerability, accountability and responsibility for the management of the LGA procurement function. PMUs do not have their own sub-vote, Personal Emoluments of procurement staff are paid from the Administrative Vote, PMU running costs are generally financed from own-source revenue, and professional development and procurement training of professionals and practitioners is not well embedded in LGAs. This is partly related to the absence of PMU as unit and little awareness of the strategic function of procurement.
6. All procurement starts with approved plans and budgets. Inputs (resources) to LGAs are a major risk factor for LGAs. This has been analysed during inception, fieldwork and BLS, but more research is needed on LGA fund flows, collections, application of grant guidelines, and impact on LGA procurement. This is further described on section 2.1 Outcome. The Public Finance Management Reform Programme Phase IV (PFMRP) is planning a study on LGA fund mapping, which will be useful for the project.
7. It is against this background that fieldwork, missions and studies in the start-up phase confirmed the project's overall and specific objective as relevant. The intervention was often referred to as "timely and needed" when speaking to staff and officials at all levels. More efficient and effective procurement is essential for local service delivery by Local Governments.
8. Procurement audits indicate that inefficient and ineffective procurement is caused by inadequate procurement capacity (procurement skills, systems, staff, etc) leading to low compliance with the procurement law and poor procurement management practices. LGAs have relatively low scores on the *Compliance and Performance Indicators* (CPI), the procurement monitoring indicators established by PPRA and based on OECD principles. Overall CPIs for all LGAs combined stand at 67% only and the CPI scores hardly progressed over the past years by using the PPRA indicators up to FY 2011/12. Procurement Performance Audits indicate at best a fair Value for Money and there are high risks of corruption and fraud as measured by the Red-Flag Score Card.

CPI Scores of LGAs FY 2011-12



9. Compliance and performance of LGAs is in particular low in the following capacity areas, which need to be addressed by the project:

- Establishment and composition of the PMU
- Preparation and implementation of the Annual Procurement Plan
- Records keeping
- Quality assurance
- Contract implementation

10. In FY 2011/12, PPRA tested a new set of CPIs that have more weight on quality assurance and contract implementation. Measured by this new set of CPIs LGA procurement performance dropped to 57%.

11. PPRA procurement performance audits focus on construction and roads contracts. The I score of the FY 2011/12 audits indicate *fair performance* in Value for Money (VfM) in LGAs, which is below scores of Ministries, Departments and Agencies (MDA). This means that LGA investments do not generate expected benefits over life-time with increased costs for Operation & Maintenance (O&M). The table below shows the 2011/12 VfM scores for LGAs:

Performance Area	Road Contracts VfM % Score	Building Contracts VfM % Score
Planning	74	70
Procurement	74	70
Contract Administration	61	54
Quality of Works	73	72
Total score	71	66

All performance areas need considerable improvement to achieve good quality of works, and confirm actually the LGA CPI scores.

12. Public procurement is a high risk area and procurement monitoring includes scores on a Red-flag which has been developed by PPRA together with PCCB. Procuring Entities with a score of 20% or above have a high likelihood of fraud or corruption in procurement. The 2011/12 assessment indicated that five procuring entities, all LGAs, had a combined total score of 20% or above in the three phases of the procurement cycle:
 - Pre-bid
 - Evaluation and award
 - Contract implementation
13. Interviews with stakeholders reflected strong awareness on the relation between integrity, fraud and procurement outcomes. The majority of queries in CAG reports - discussed in Parliament and the Local Authorities Accounts Committee (LAAC) - deal with procurement issues. Addressing corruption, fraud and integrity figures high on the political agenda also in view of the upcoming elections (2015). This provides leverage to the project and fosters collaboration between institutions involved in the project as democratic oversight bodies are more inclined to take action.
14. Procurement is one of the nine functional areas, which are monitored by PMO-RALG through annual National Assessments under the Local Government Development Grant (LGDG) system. The LGDG is a performance-based system whereby LGAs are receiving grants by using agreed formulae based on minimum conditions and attaining certain levels of performance in order to qualify for receipt of funds. The better the performance, the higher the amounts of grants availed. The complementary Capacity Development Grant (CDG) is in place to assist LGAs with addressing weak performance areas. LGAs generally get a good score for procurement performance (above 9 out of maximum score of 10). This means there is considerable discrepancy in LGA procurement performance as measured by PMO-RALG, PPRA and CAG reports. The NA methodology and performance measures were revised for FY 2012/13 including more focus on quality assurance in contract implementation.
15. Awareness of the public on LGA procurement issues is mainly related to poor quality of works of LGA investments, which are often reported in the written press or on radio channels. The concept of procurement cycle is less understood especially with respect to linkages between planning, preparations, sourcing and contract implementation and the importance to adhere to public procurement standards and provisions.
16. There is a strong drive to increased use of ICT systems to enhance transparency and competition. This includes advertising of tender opportunities in traditional and new media, the Tanzania Tender Portal, tender alerts through mobile phones, and the web-based Procurement Management Information System (PMIS). However, the systems are less known to the general public. At district level notice boards are still the most common channel of communication.
17. Government has made an important step in 2012 to fully introduce in all LGAs Epicor 9.05, a web-based based financial management, accounting (and materials management) software system to strengthen public financial management processes. Roll-out of Epicor is however constrained by internet connectivity challenges. Procurement is covered in the 'materials management' module, but the different LGA MIS are not (yet) interfaced i.e. 'talking to each other':

- PlanRep;
 - Annual Procurement Plans and Reports (or the PMIS);
 - Epicor (FMIS); and
 - Mandatory Council Financial Report (CFR) and Council Development Report (CDR).
18. Local governments face considerable risks in resource mobilisation. This is further described in section 2.2. Local Government's expenditure is constrained by late and reduced fund releases by Central Government compared to budgets (in particular Other Charges and Development Budget) as well as below target own-source revenue collections. This poses a major challenge to procurement at all levels, leading to high procurement transaction costs, reduced procurement effectiveness, carry-overs and constrains the ability of LGAs to fully comply with procurement standards (advertising, meetings, award verifications, quality assurance of contract implementation). In fact, expected benefits are (yet) to be realised in terms of savings to support improved local service delivery. Fieldwork of the BLS also clearly indicated under-funding in the social sector, for instance primary school capitation grants are far below target increasing procurement cost for education supplies and reducing education performance.

Major developments since formulation and project response

19. Starting FY 2013/14 Government has brought forward the budget cycle and Parliament budget session starts in April (instead of June) in order to pass the budget before the start of the next Financial Year. This will likely make LGA collections more timely and reliable to run services and support development investments and facilitate more efficient and effective LGA procurement processes. However, this is the first time, the actual situation (and change) will need to be monitored including timing and amounts of LGA collections compared to budget and procurement processes (date of Specific Procurement Notices, date of awards, etc).
20. Changes have been made by the PPRA and PMO-RALG in procurement indicators, which are integrated in the project *Monitoring & Evaluation Framework* and the LGA procurement capacity data base which is being established.
21. The TFF does not make explicit mention of the *role of ICT systems in public procurement management*. The PPRA has a good set of ICT systems that support transparency and competition in public procurement to which LGAs relatively show the lowest adherence. LGAs have been trained in the procurement management information system (PMIS), but actual use is not taking off. This is partly related to opposing forces, but LGA user requirements could also be better addressed in the PMIS (*customization*) as well as *interfacing* with other LGA MIS including PlanRep, Epicor and CFR/CDR. Major procurement under education and health Other Charges are not captured in the procurement reports. This calls for introduction of targeted procurement systems development as part of the LGA capacity building in coordination with other main actors, in particular PFMRP IV.

2.1.2 Institutional context and legal framework

22. The *project institutional setting is appropriate* and the project is well anchored in the three institutions (PPRA, PMO-RALG and Hombolo LGTI) reflecting the Tanzanian legal and institutional framework in the Local Government sector as well as public procurement. Project institutions are in principle well-placed to address LGA procurement capacity and staff development issues. Major strategic stakeholders are represented in the *Joint Local Partners Committee* (JLPC) comprising PPRA, PMO-RALG, BTC, NAO (CAG), PCCB and MoF (IAG).

23. During the organisation assessment and the Base Line Study the importance of the role and need of adequate capacity of *District Internal Auditors* was confirmed in order to provide effective internal quality assurance and adequate risk management in LGA procurement and contract management. Harmonizing the procurement audit framework in a single audit concept and approach is highly recommended. Besides PPRA, the JLPC representatives include the NAO (CAG) and MoF (IAG for LGAs), who are well-placed to address this challenge strategically in the context of the project.
24. The renewed focus of Government to strengthen the coordination and advisory role of the *Regional Administration vis-à-vis* the Local Government Authorities, already foreseen in the TFF, was validated as relevant during fieldwork. Under the LGRP II progress has been made to build capacity at this level, in particular the *LGA Management Section (LGAMS)*. Good practices were observed, but more skills in procurement, quality assurance, risk management and coaching expertise is however required. The LGAMS would need adequate procurement expertise, which cannot be provided by the RAS PMU. There is need to fill capacity gaps embedded in an adequate, concerted oversight, coordination, coaching and monitoring approach. PMO-RALG is member of the JLPC, provides the project *Liaison Officer* from the Local Government Division/Local Government Finance, and the *Procurement Focal Point*. This is considered adequate for the project.
25. The envisaged PMO-RALG *Local Government Training Strategy* (for quality assurance and coordination of training in LGAs) has not taken off as expected. This will need adequate attention of Government, project and other partners in support of LG training. Generally there is a very low sense of ownership of this strategy, and stakeholders look at each other who should be the lead driver. Hombolo LGTI has not (yet) taken up the envisaged role of coordination and quality assurance of LGA training. Moreover, there are many competing forces and interests in LGA training, which in practice lead to dominance of supply by Training Entities over a poorly articulated demand of LGAs, and all LGAs trying to find their own solutions.
26. The *absence of an effective LGA capacity building and training policy*, absence of guidelines for PMU establishment, unclear procurement competences and poorly defined skills of procurement professionals and procurement practitioners need to be addressed in order to develop adequate procurement training materials, training delivery strategies and monitoring of training interventions i.e. applications of skills. This calls for strengthened coordination between the PPRA, PMO-RALG and the Public Procurement Policy Division (PPPD) in MoF in relation to staff competences, skills development programmes and policy monitoring.
27. The *Procurement and Supplies Professionals and Technicians Board (PSPTB)* was created by Act of Parliament (2002). The PSPTB plays an important role in professionalization of procurement cadre in particular in relation to registration of professionals, continued professional development, acknowledgement of training institutions and advice for development of procurement courses. It is mandatory that procurement professionals are registered and this gives opportunity for sanctions (de-registration) in case of malpractices by procurement professionals. Collaboration can be further explored during project implementation with the PSPTB mandate and core functions. PSPTB board and management are currently being restructured.
28. There are no standard, harmonised *procurement guidelines for Lower Local Governments*, which according to the current legislation have to be issued by PMO-RALG in collaboration with PPRA. This needs to be addressed. Field missions and the Base Line Study confirmed the need to develop a LLGA procurement guide (procurement toolkit) in simple language

(English-Swahili) to strengthen procurement skills and practices of procurement practitioners at this level in a harmonized, sustainable and cost-effective way.

29. The *action research component* is rightly part of the project design to play an important role in the project intervention to inform JLPC and stakeholders to make evidence-based strategic decisions based on systematic research into what works, what does not work, identify opposing and supporting structures and factors of change.

Major developments since formulation and project response

30. The *Public Procurement Act Supplement* was signed in December 2011 and entails several provisions and changes that are relevant to LGA procurement and the project, in particular:
- The *composition of the LGA Tender Board* and the *method of appointment* of the members, and the procedures to be followed by such tender board, shall be prescribed in Regulations made pursuant to the provisions of the Local Government Finances Act i.e. this is a continuation of PPA 2004 confirming the 'special' position of LGAs;
 - Each PMU (including LGAs) is required to having its own *sub-vote* and adequately resourced and capacitated by the PE; **[NEW]**
 - Subject to cool-off period, the accounting officer of a LGA shall, before issuing a notice of intention to award a contract, submit the award decision to the *Committee responsible for finance and planning*, for scrutiny, and where the Committee is dissatisfied with the decision of the tender board, it shall request the Authority (i.e. PPRA) to conduct an investigation; **[NEW]**
 - Creation of the *Public Procurement Policy Division (PPPD)* mandated to play a major role in the development of procurement cadre, setting of procurement competences and developing the public procurement policy; **[NEW]** and
 - PPRA is to build capacity in public procurement in collaboration with the PPPD and other relevant bodies **[NEW]**.

The changes are important for the embedding of the project and development of procurement guides and training materials. The JLPC in its second meeting decided to include the PPPD in its membership following recommendation by the PIU.

- The regulatory framework for PPA 2011 has not (yet) been finalised and this is an important pre-condition for updating guides and training materials.
31. Inception and Base Line Study confirmed the importance to addressing *LGA staffing*, the need for integration of procurement capacity and training needs in LGA capacity development plans, and the continued professionalization of the LGA procurement function (i.e. covering professionals, technicians and practitioners). This includes the setting of PMU establishment levels (number of staff and qualification) depending on size and type of LGAs as well as defining competences and skills levels of procurement professionals and practitioners. Procurement capacity and training needs are not systematically identified, prioritised and reflected in capacity development and training plans. Capacity for quality assurance of procurement and contract implementation depends largely on the capacity of the PMU, DIA and main User Departments, in particular district and water engineers. For this reason the *President's Office – Public Service Management (PO-PSM)* - responsible for public sector personnel policy and management- was included as member to the JLPC as suggested by stakeholders and recommended by the PIU.
32. The draft *Procurement Policy* has been in circulation since September 2011 under the responsibility of MoF, PPPD. The policy is overdue and the draft proposes several changes to

roles and responsibilities in public procurement in Tanzania. When finalised this needs to be reflected in the legal, institutional and regulatory framework, relevant provisions will need to be addressed and integrated in the project intervention. However, several could be better reflected in the draft policy including:

- *Roles and responsibilities of the private sector*: responsibility related to corruption, fraud and collusion through integrity pacts, procurement charters, codes of conduct, suppliers standards, dialogue platform with suppliers, etc; responsibility of contractors for sub-contractors; contractor monitoring through clear M&E and QA framework;
- *Complaints mechanism* could be more straight-forward with clearly defined channels and preferably a single point of entry and power of blacklisting;
- *The end-users and their satisfaction* with procurement outcomes need to be unbundled especially for service-related procurement (schools, hospitals, etc);
- *Citizens right of access to procurement information* through adequate communication (in whatever suitable form including ICT) is not adequately addressed;
- *Accountability* mainly has a focus on the external oversight functions and institutions and need to be enhanced by including internal control, risk management, quality assurance, democratic oversight, governance and role of the audit committees at all levels; consider whistle blower clause;
- The final *responsibility of the Procuring Entities* could be better indicated to ensure that the procurement function is performed as per Act, regulations and other provisions with adequate resources and capacitated;
- *Health and safety are notoriously absent* whereas this is a major strategic area in public procurement in priority sectors such as construction (roads, buildings) industry, transport industry, energy, medical supplies, etc; risks need to be identified and assessed as part of user requirements, whole-life approach, contracts, contractor's obligations and the contract M&E framework;
- The *M&E framework has a focus on the external function* (like for accountability), and more focus is needed on the use by PEs of procurement information (records, outputs, outcomes; benchmarking for knowledge management and learning; more reference to the OECD pillar framework) could be made. The importance of systematic monitoring of suppliers could be better addressed;
- More reference to the *strategic need of continued professionalization of procurement cadre* through clearly defined procurement competences, skills, pre-entry training, registration, continued professional development, role of the procurement professionals board, training institutions, sanctions framework, etc; also strengthening procurement analysis skills of procurement cadre related to risk and spent, most suitable procurement methods, analysis of outcomes, investment appraisal in relation to suitable evaluation criteria, etc;
- *E-procurement* mainly relates to e-archiving, e-records and this section will rapidly be overtaking by innovations and upcoming trends in procurement including e-commerce, B2B models, B2C models that are rapidly entering the East African market;
- The *legal framework* relevant to procurement will continue to change and relevant legal provision need to be incorporated in the policy: this can be expected in several sectors: energy, transport, finance/insurance, construction, etc;
- Importance to include the *strategic issue of the right to information* (as mentioned in the Constitution) and security/protection of procurement data;
- The *link to Local Economic Development* i.e. regional inequalities and development of regional markets to be addressed through public procurement;
- *Collaboration between PEs* is indicated, but this could get much more prominence to promote partnerships and collaboration between PEs with common interest in certain

- procurement categories, to reduce procurement costs and get better prices; this definitely applies to aggregation of routine supplies and all common use items and services; and
- More reference to the strategic requirement of *priority sectors having specific procurement guidelines*: for construction this is mentioned (section 5.1), but others are needed: Local Government, health, primary/secondary schools, energy, etc.

2.1.3 Project target groups

33. The TFF includes a general list of project stakeholders and beneficiaries. Currently there are 168 LGAs in Tanzania mainland (compared to 133 at the time of project formulation) located in 22 regions (regional administration). As elaborated upon in the Concept Note (August 2012), the project envisages to develop generic products and services whereas the 'intensive' capacity building approach will be introduced and tested in selected regions and LGAs (Higher and Lower Local Governments). A gradual and incremental approach to LGA procurement capacity development is recommended.
34. Proposed criteria for selection of LGAs to be covered by the project include:
- Low procurement capacity as per PPRA procurement audits;
 - Coverage by PPRA zonal office;
 - Focus on rural districts (assuming that cities and municipalities are covered under WB project); and
 - BTC presence.

LGA procurement capacity as measured by the PPRA procurement data indicates that LGAs in Coast, Tanga and Kigoma regions have the lowest procurement capacity. They are located in three different PPRA zones and in some districts BTC is or has been active. It is proposed to include LGAs (all District Councils, Town Councils and selected Village Councils) in the initial CB activities together with LGAs in Dodoma region as indicated in the table below:

Region	CPI LGAs	BTC Presence	Zone PPRA	BLS	Pilot regions and LGAs
Coast	-10.3	√	Coastal	√	√
Tanga	-8.7		Northern	√	√
Kigoma	-7.7	√	Lake	√	√
Rukwa	-5.1				
Arusha	-4.8	√			
Njombe	-4.4				
Manyara	-4.1				
Tabora	-3.4				
Mara	-3.3				
Iringa	-2.7		Southern	√	
Morogoro	-2.2				
Dodoma	-2.1		Central	√	√
Mbeya	-1.0				

- CPI:** Calculated as average CPI scores of all LGAs in each region compared to average national LGA score; only regions are shown with a combined LGA score which is below average national LGA score
- BTC presence:** BTC interventions at LGA level
- PPRA Zones:** Coast (Kurasini), North (Arusha), Lake (Mwanza), Centre (Dodoma), South (Mbeya)
- BLS:** Regions covered by Base Line Study

35. The table below shows the proposed updated list of project partners and stakeholders and their major roles in the project.

Category / Role	Beneficiaries - Level			Strategic Steering	Execution	Main Capacity Dimension
	LGA	Region Zone	National			
Procurement staff	√					Procurement planning/management
District Internal Audit	√					Quality assurance
Procurement practitioners *	√					Procurement management
Councillors	√					Leadership and accountability
CSOs and media	√	√	√			Voice and accountability
LAAC			√			Democratic oversight, action
RAS/LGAMS		√				Follow-up, coaching, action
PPRA		√	√	√	√	CB, procurement audits, follow-up, action
PMO-RALG			√	√	√	CB, policy, monitoring, coaching, follow-up action
MoF - IAG				√		Internal Audit (incl. procurement)
CAG				√		External Audit (incl. procurement)
PCCB				√		Integrity issues
PPPD				√		Procurement Competences
PO-PSM				√		HRM Policy
BTC				√	√	Project Cycle Management
Hombolo LGTI					√	Procurement Training, QA
Training Entities **					√	Procurement Training
TCU, NACTE, PSPTB						Certification Procurement Training

* At HLG and LLG levels i.e. Heads of Departments, Councillors, Committee Members, VEOs, WEOs

** Responsible for quality delivery of outsourced trainings: TPSC, Mzombe University, TIA, etc

2.1.4 Capacity areas and training needs

36. The Base Line Study indicated that few LGAs are aware or making systematic use of a training cycle approach i.e. definition of competences and required skills → assessment of training needs → training → application of skills of the training → review of training use → next cycle, etc. Most training in LGA is related to long-term professional training for individual career advancement. This also applies to procurement and procurement skills development, which is only systematically addressed in few LGAs.
37. It is the responsibility of the Procuring Entities to ensuring that adequate procurement skills are in place. The PPRA has established a system of tailor-made training upon request of procuring entities follows findings and recommendations of procurement audits. The system works to a certain extent and LGAs often obtain a better score in the follow-up audits. On the other hand, the PPRA 2011/12 procurement performance report indicates continued low performance in many LGAs notwithstanding training interventions.
38. Capacity building is proposed to focus on selected LGAs in the four pilot regions. The training interventions need adequate quality assurance (QTPs, use of certified trainers, quality training materials, training the right people addressing relevant training needs, etc) and regular to keep track on the level of achievement of both training and project objectives. Training areas and target groups as updated through missions and BLS include:

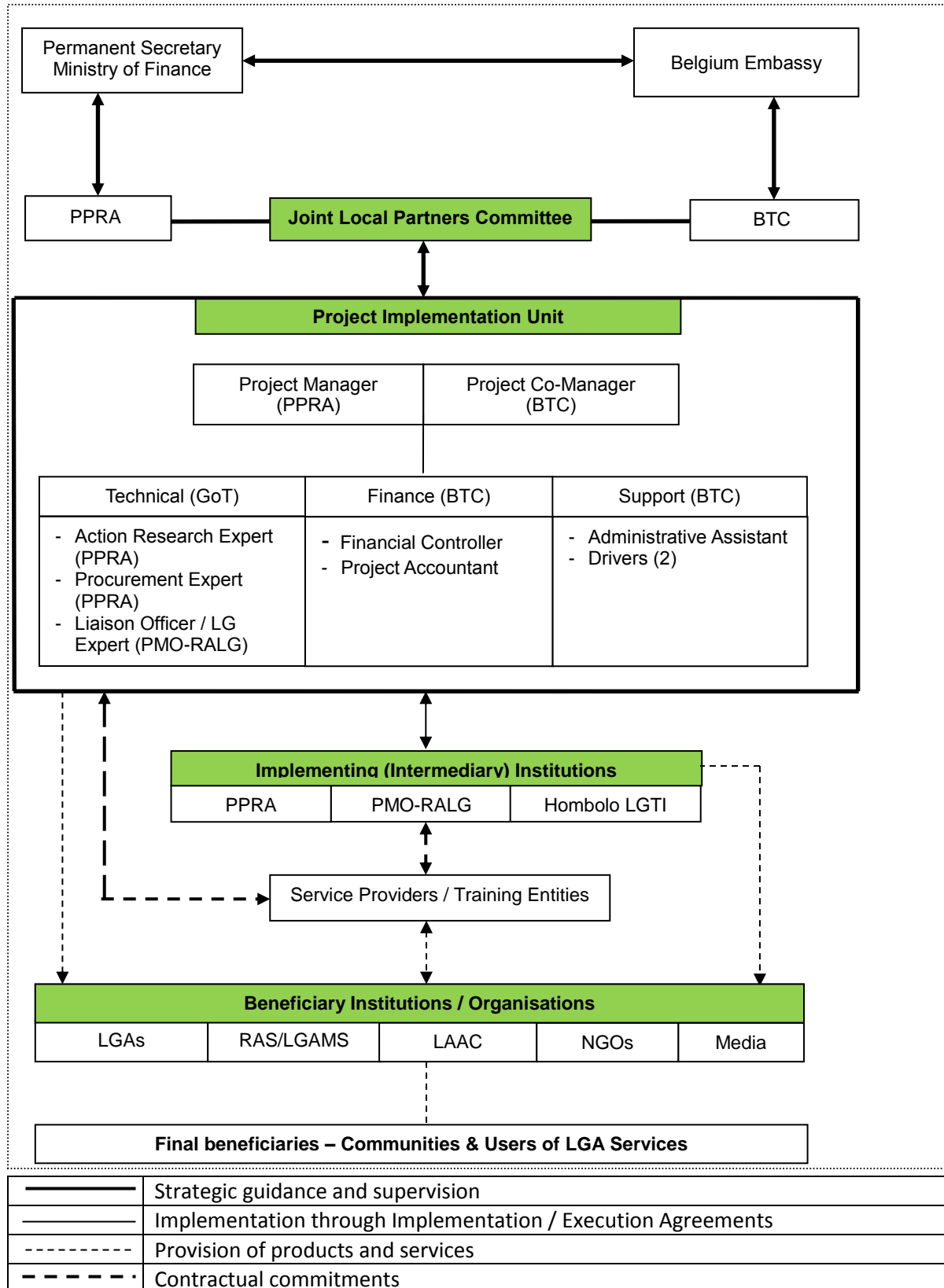
Training Areas	Target Groups
Development of procurement workplace skills-development plans, ToT/ToC Training Strategy, M&E of training	DHRO, DCDO, HPMU, Training Teams
Procurement auditing, internal quality assurance and risk management in LGA procurement	DIA; Council Directors
Procurement planning & implementation, tender specifications, record keeping, reporting, use of PMIS, use of Epicor, use of FWCs, contractor monitoring, continued professional development	PMU staff
Procurement planning, specifications, preparation, reporting, quality assurance and contract management	HoDs
PPA legislation, regulations and standards, roles & responsibilities and approvals in all phases of the procurement cycle	Tender Boards
ToT/ToC skills, coaching, training delivery for HLGs and LLGs	District Training Teams
Procurement regulations, roles & responsibilities in LGA procurement cycle, leadership	Councillors , Committees
Procurement concepts, planning and management skills, reporting, governance and accounting skills	VEOs,
Procurement knowledge, follow-up, coaching skills	RAS/LGAMS

39. Certain preliminaries should be taking into account when developing the training materials and programmes, including:

- The PMU consists of procurement and other technical specialists together with the necessary supporting and administrative staff. The actual establishment needs to be designed in reference to size and place of LGA, and procurement competences be defined of procurement professionals and practitioners at both HLG and LLG levels
- The importance of *borrowing from good lessons learned* under TASAF and PEPDI which adequately trained and prepared for procurement by Service Units (schools) and project committees at LLG levels.
- The SULGO project developed a number of guides targeting LLGs which are useful for the project. The current guides and standard training manuals need to be reviewed on increased usefulness and actual applications of skills, in particular at LLG levels.
- The assumption that *Accounting Officers are supportive to the process* and will take responsibility of providing adequate means and resources to DIAs and PMUs to do their job independently and adequately.
- *DIAs have been or will be trained under e.g. PFMRP IV* and it needs to be investigated further what procurement training could be incorporated in that training and what need to be done under EPC-LGAP. Adequate coordination is required.
- In conjunction with training of PMU staff to use PMIS, capacity needs to be built to interface PlanRep, PMIS and EPICOR and to ensure *connectivity* is in place in all LGAs
- Current procurement training manuals do not explicitly target LLG staff and officials and lack specific materials for participants and trainers and have focus on instruction instead of training and learning.
- It is recommended to develop *modular training packages* to address specific training needs and facilitate regular reviews and updates; the training materials should be available in hard copy, but especially through the websites of PPRA and PMO-RALG for ease of access by LGA staff and officials.
- Currently LGTI is not (yet) adequately equipped to design procurement courses and *strategic partnerships* will need to be developed by the institute
- The experience with ToT/ToC approaches learns that a strong M&E framework needs to be in place i.e. based on coordination, quality assurance and corrective measures for which HLGTI will likely require additional assistance through the project. Adequate coordination with JICA is required.

2.1.5 Project organisation structure

40. The *project organisation structure* is presented in the below diagram reflecting the initial structure as per TFF and modified in the start-up phase:



2.1.6 Management context: execution modalities

41. Start-up and inception of the project have been implemented under *own-management modality*, which was adequately guided by the *Project Implementation Unit* (PIU) which is composed of PPRA (Project Coordinator, Action Research Expert, Procurement Specialist), PMO-RALG (Liaison Officer) and BTC staff (International Sector Expert, Financial Controller and support staff). The PIU meets bi-weekly, complemented by regular contacts and communication between members. Good working relations have been established between the project partners.
42. The Chief Executive Officer of *PPRA as Chair of the JLPC* took the lead in establishing the JLPC and so far two ordinary meetings have been organised. The *PMO-RALG has been instrumental in making contacts* with beneficiary institutions, organisation of field visits, documentation, etc. through the Liaison Officer (A/Director Local Government Finance) hereto assisted by the Procurement Focal Point in PMO-RALG. Staff of partner institutions have fully participated in the various missions, organisation assessments and the Base Line Study. The first operational plan & budget (2013) was prepared with participation of PIU members.
43. The *Project Implementation Manual (PIM)* has been prepared by PIU/BTC staff with inputs from PPRA and BTC. The PIM is a stand-alone project management manual and introduces procedures, systems, tools and processes for efficient and effective project (cycle) management and accountability. Several 'new' systems have been developed and introduced, most procedures are in use whereas full implementation can commence following approval by the JLPC (in March 2013 meeting).
44. The first *experience of implementation of activities* shows that activity scheduling need to incorporate adequately time for preparation and sourcing. In practice this can take up to three months or more. Moreover, tasks for coordination, supervision and implementation of parts of the action plans need to be clearly embedded in the PPRA organisation. It is proposed that this will be formalised in a *performance-based implementation agreement with PPRA*. Annual workplans of the EPC-LGAP need to be reflected in the PPRA plan and budget, staff performance contracts and PPRA governance processes and management.
45. Related to the above, GoT *seconded staff* to the PIU work on a part-time basis and their inputs are constrained due to other commitments for on-going work duties and/or other projects. The ISE provides technical expertise (100%), but is also involved in project cycle management duties and coordination. Travel between Dar es Salaam and Dodoma / Hombolo can easily take 10% of management time. Current PPRA inputs for coordination and technical supervision total maximum 0.6 full-time equivalent (fte) (Project Coordinator 20%, Action Research Expert 20% and Procurement specialist 20%). The PMO-RALG Liaison Officer contributes below the envisaged 50%, but this is compensated by the services of the Procurement Focal Point. For the start-up phase this has been adequate. The major part of implementation is outsourced, but this requires adequate time and technical resources for planning, preparation and quality assurance. Human resources will likely be inadequate when project execution will gain momentum and provisions need to be formalised for required technical expertise from PPRA up to on a full-time basis (1 fte) and 100% availability of the PMO-RALG Procurement Focal Point. Lastly, the capacity of Hombolo for the procurement training coordination and quality assurance will likely need to be strengthened.
46. Agreement on *Roles & Responsibilities for project outputs and outcomes* was reached following the Organisation Assessments, which also chart the path to implementation by partner institutions in the operational phase starting January 2013. An update has been included in this report based on the proposed revised Log Frame.

47. *Implementation agreements* with PMO-RALG and Hombolo LGTI are in preparation and scheduled to be finalised in the 1st half of 2013. It is foreseen that the agreements will be based on *BTC Execution Agreements for Activities and the pre-financing option*. The installed Epicor 9.05 provides in principle an adequate FMIS for cash and commitment control as confirmed by the Organisation Assessment. At the time of assessment Hombolo LGTI was still using a manual system. It is proposed that the Financial Controller will re-assess the capacity in the 2nd quarter of 2013 before working out the detailed modalities.
48. The *Government of Tanzania follows a Fiscal Year* starting in July and ending in June whereas the *BTC financial planning cycle* follows the calendar year (January – December). In order to maximise embedding of the project in national structures it is advised that the project budget (for co-management) will be integrated in the PPRA budget, and budgets for delegated where possible integrated in budgets of PMO-RALG and Hombolo LGTI.
49. Starting FY 2013/14, budget preparations for GoT are finalised in the 3rd quarter of the current FY in order to approve the budget prior to the start of the new FY. This coincides with finalisation of the financial planning for BTC. In practice this means the requirement to prepare an 18-months detailed financial and operational planning, of which the first 12 months feed in the BTC planning cycle and the last 12 months in GoT planning. Review of plans can be made in November-December of each year to prepare the annual results reports (both for BTC and GoT), review results, update operations and prepare the next plan & budget.

Major developments since formulation and project response

50. Following consultations early in the start-up phase, it was decided that a *strategic location of the PIU Office in PPRA Headquarters* would facilitate communication and contacts between PIU and all PPRA divisions and sections. The initial proposal to locate the PIU office at the PPRA Coastal Zonal Office (including renovations) has been revised and the PIU is located at PPRA Headquarters. The office is also close to the PMO-RALG Dar es Salaam office. This has facilitated management, coordination and regular interactions with PPRA.
51. It is proposed to make resources available (around € 100,000) to renovate two existing GPSA offices as part of the key activity to support the increased PPRA's outreach capacity to LGAs through the establishment of *zonal offices and dissemination centres*. The PPRA budget 2012/13 foresees the recruitment of additional staff for zonal offices. The project will make a contribution to the renovation of the Northern and Coastal zonal offices & dissemination centres whereas PFMRP will support the establishment of offices in Lake Zone, Central Zone and Southern Zone. Decentralisation of PPRA services is highly recommended in view of the number of LGAs, distance to PEs, need of being closer to both RAS/LGAMS, stagnating LGA procurement performance and the related need for more effective monitoring and follow-up to LGA procurement issues and capacity building. It is foreseen that major part of procurement monitoring and follow-up will be provided through the PPRA zonal offices whereas strategic functions will remain at PPRA Headquarters. Modern ICT will further facilitate communication. This will however need the development of a sound business plan indicating objectives, functions, task, staffing and financing of the five zonal offices.

2.1.7 Harmo-context

52. The project is *aligned to GoT policies* and the *identified roles and responsibilities* of implementing institutions are in line with institutional and legal provisions. An important output of the first months has been the closer collaboration between PPRA, PMO-RALG and

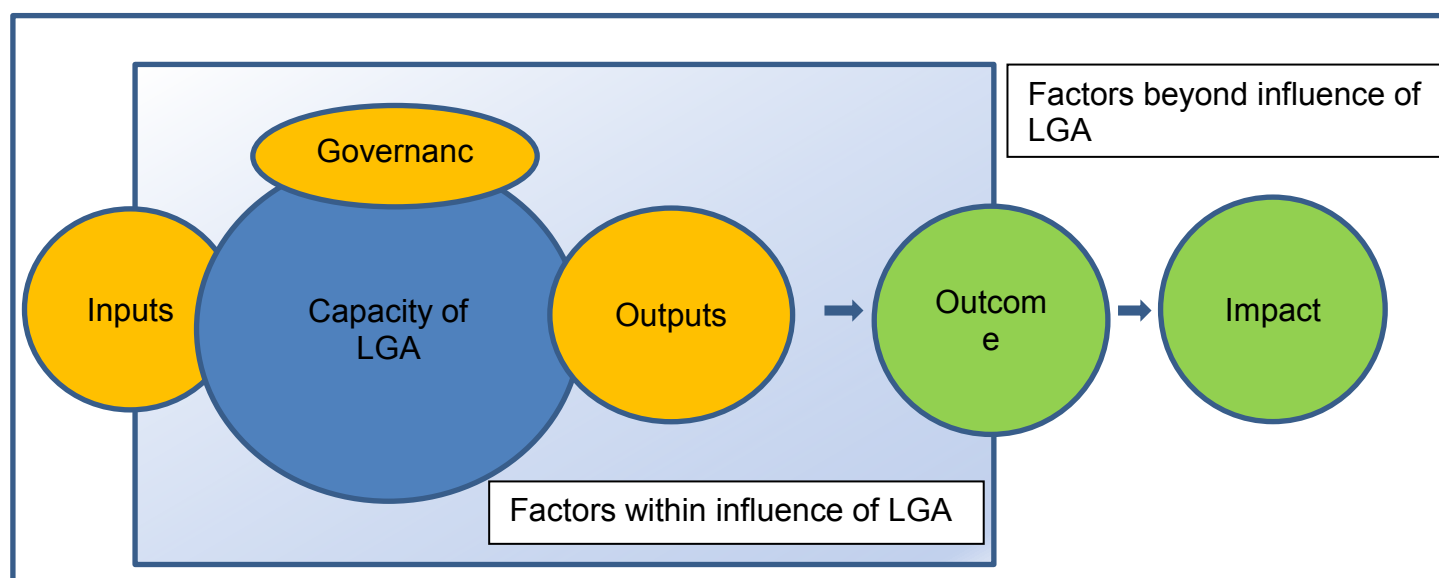
Hombolo LGTI. PPRA was involved in the formulation of the new procurement indicators of the National Assessments. The compliance and performance scores of LGAs in procurement and project intervention were introduced to PMO-RALG in various meetings in Dodoma followed by a special meeting with the Permanent Secretary and Directors. In line with PPA 2011, LGA procurement cadre development, competencies and capacity building needs *strong collaboration between PPPD, PPRA, PMO-RALG and professional bodies and institutions* including Hombolo LGTI, PSPTB and Training Entities.

53. PPRA, PMO-RALG and Hombolo LGTI are receiving considerable support for LGA (procurement) capacity building from several donors including PFMRP, ADB and JICA. This *requires adequate communication and information sharing* between all parties to avoid duplication and strengthening synergies of interventions. This relates for instance to renovation and equipping of the PPRA zonal offices & dissemination centres, procurement audits, procurement MIS, LGA procurement trainings, updating of lists of qualified training providers, training civil society and media campaigns, to mention a few. The project will employ a pro-active approach in dialogue and consultations.
54. An important area for coordination is the *LGA Management Information System (MIS)* in particular the procurement MIS and interfacing the Annual Procurement Plan and Implementation Reports adequately with the LGA Plan & Budget (PlanRep), Financial Management (Epicor) and reporting (CFR/CDR).
55. The *Local Government Reform Programme (LGRPII)* has recognised the importance of LGA procurement, but the project is in the final phase (ends in 2013) and came actually to a stand-still following issues related to accountability. A new *WB project targets all municipalities* and has emphasis on infrastructure development and strengthening management capacities of urban councils including procurement and financial management. The 10-years GIZ supported *SULGO* programme intervenes in LGAs in two regions (Tanga and Mtwara), but they are in their last year of operation with emphasis on improved coaching of LGA staff by regions and LGA risk management.
56. Fieldwork indicated a multitude of grants and projects at community levels all with their own provisions. *Willingness by DPs and projects to standardisation and harmonisation of LLG procurement* is definitely required. This is further described in section 2.1, Outcome.
57. DPs are regularly meeting with the sector institutions. However the LGRPII plan and budget 2012/13 has not yet been agreed upon at time of writing, and there is the risk that DP funding to the LG sub-sector will be considerably reduced related to accountability issues. Several DPs have indicated to reduce funding to the LG sector or withdraw support all together. The PFMRP IV is an important programme for this project in areas related to procurement MIS, strengthening of procurement audit function, and other areas.

2.2 Outcome

58. The project started the operational phase in January 2013 and it is too early to establish and assess progress to achieving the project outcome, and contributions made by the intervention. The envisaged capacity building intervention process is reflected in the Concept Note. Achieving the intended specific objective outcome) are related to factors at input level, internal LGA organisation/outputs, which is illustrated in the below model:

Figure 1: LGA Integrated Organisation Assessment Model



↑	↑	↑	↑	↑
LGA Inputs: <ul style="list-style-type: none"> - Recurrent budget - Development Budget - Local Revenue - Off budget - HRM/D 	LGA Organisation: <ul style="list-style-type: none"> - Staff + skills - Systems + tools - Processes - Management style - Leadership - 'Culture' - Governance + democratic accountability - Integrity 	LGA procurement Efficiency: <ul style="list-style-type: none"> - Compliant procurement practices - Needs identification - Plans & budgets - Reports - Publicity/transparency - Procurement Practices - Market operations - Contract management - Internal control - Training programmes 	Effectiveness in LGA procurement: <ul style="list-style-type: none"> - Procurement outcomes: quantity, quality, costs, place and time and Value for Money - Capacity of markets - Response to oversight - Satisfaction of end-users - Functionality of products and services - Social accountability 	Overall development priorities <ul style="list-style-type: none"> - Service delivery outcomes - District potential (economic, social, etc) - Quality of development planning - PFM, procurement policy, institutional, legal and regulatory framework

INPUTS

59. During desk review and field missions, the LGA financial resources have been analysed and its impact on LGA procurement planning and management. The financial resources of a typical rural district are as follows, based on the 2012/13 budget of Handeni DC with a population of 305,000 people.

- Total budget is Tsh 19.6 billion shilling, which translates in a budget of around Tsh 63,150 per capita
- Around 60% of the budget covers Personal Emoluments (PE)
- Around 25% of the budget covers Other Charges (OC)
- Recurrent Budget combining PE and OC is around 85% of the total Council budget
- Around 15% constitutes the Development Budget
- Education, Health and Administration/General are the main cost centres
- Own Source Revenue is Tsh 1,621,300,000 or 8.4% of the total budget
- Community contributions total Tsh 166,800,000 or 0.9% of the budget

Handeni DC – Budget 2012/13

Sector	PE	OC	Development	TOTAL	%	% Dev't
Administration & Planning	1,351,910,460	1,945,886,000	658,525,200	3,956,321,660	20.5%	16.6%
Primary Education	5,850,902,130	718,585,000	353,820,800	6,923,307,930	35.9%	5.1%
Secondary Education	1,153,730,320	254,391,000	105,000,000	1,513,121,320	7.9%	6.9%
Health	2,253,680,700	1,698,987,408	206,080,000	4,158,748,108	21.6%	5.0%
Works/roads	143,742,730	39,069,600	495,421,000	678,233,330	3.5%	73.0%
Water	81,397,980	89,874,000	492,430,000	663,701,980	3.4%	74.2%
Natural resources	20,000,000	24,000,000	82,122,000	126,122,000	0.7%	65.1%
Com Development	30,000,000	21,000,000	94,650,000	145,650,000	0.8%	65.0%
Agriculture	675,622,260	48,185,600	371,549,000	1,095,356,860	5.7%	33.9%
Total	11,560,986,580	4,839,978,608	2,859,598,000	19,260,563,188	100.0%	14.8%
Percentage	60.0%	25.1%	14.8%	100.0%		
% Procurement (as per budget)	0%	65%	85%			
Amount Procurement (as per budg)	0	3,145,986,095	2,430,658,300	5,576,644,395		

60. LGA financial resources are constrained, which has a bearing on the LGA organisation to perform and support procurement and contract management processes. The actual annual (reported) procurement is far below the expected spent, which is related to reduced collections and not capturing all procurement adequately in LGA procurement reports:

- LGAs reported an overall budget turn-out of 74.4% in FY 2011/12 (collections and disbursement)
- Collections and disbursements are unreliable in terms of total amount and timing, which has a bearing on procurement efficiency and effectiveness
- Unreliable transfers and collections are in particular in Other Charges and own-source revenue
- Collections below budget are common, but some districts receive collections above budget and this poses its own challenges to procurement planning and management.
- Unreliable and late releases are related to inflow by both Government and DPs: for instance in FY 2011/12 total releases to the CDG (LGDG) were 54.5% of the budget, GoT released 20.5% of the foreseen inflow and DPs 75.9%. This affected the Development Budget of all LGAs: in FY 2011/12 reported *expenditure to budget* was 24.7% of the budget and reported *expenditure to disbursement* was 45.2%
- There are risks of reduced funding related to issues of accountability and reputation of the LGA sub-sector as a whole

61. The table below summarises the FY 2010/11 budget and spent (volume and number of contracts) per main procurement categories as reported by 115 LGAs:

FY 2011/12 - LGA Procurement Data		
Description	Amount (Tsh)	# of Contracts
Budget	1,640,294,206,113	
Collected / Disbursed	1,219,792,540,382	
Budget turn-out	74.4%	
Spent	325,734,337,358	
Of which:		
Goods	128,386,888,563	47,141
Works	169,744,552,855	2,258
Consultancy Services (CS)	9,209,255,677	183
Non-Consultancy Services (NCS)	18,228,459,963	8,300
Disposal of Assets (DA)	165,180,300	37
Procurement Ratios		
% Spent / Budget	19.9%	
% Spent / Collections	26.7%	
% Goods / Spent	39.4%	
% Works / Spent	52.1%	
% CS / Spent	2.8%	
% NCS / Spent	5.6%	
% Goods / Spent	0.1%	
Avg goods contract (Tsh / # per LGA)	2,723,466	410
Avg works contract (Tsh / # per LGA)	75,174,736	20
Avg CS contract (Tsh / # per LGA)	50,323,802	2
Avg NCS contract (Tsh / # per LGA)	2,196,200	72
Avg DA contract (Tsh / # per LGA)	4,464,332	0
<i>Source: PPRA 2011/12</i>		

62. Based on data of procurement monitoring, and analysis of district budgets and procurement reports, procurement in LGAs can be characterised as follows:

- An estimated 27% of LGA collections is spent on procurement; this relates to the relative high percentage for PE (60%); it also means that around 13% is used for other administrative expenses
- Works are the major procurement category (around 52% of spent) followed by goods (around 39% of spent).
- Minor Value Procurement is important in terms of number of contracts (around 410 LPOs per LGA per year); contracts through tender are around 20 contracts per LGA per year
- An estimated 85% of the Development Budget is subject to procurement (around Tsh 2.4 billion shilling in the case of Handeni). Collections are generally around 85% of the budget, but this varies per year and per Grant, and transfers are not evenly spread with most transfers made in the second half of the FY; related to this and the time required for procurement processes, there are considerable *carry-overs on signed contracts* to the next FY, and LGA procurement performance is therefore rather low in terms of *planned contracts vs actual contract* and *budget vs spent*: time over-runs have become an accepted fact of LGA procurement life, which reduces returns on investments.
- An estimated 65% of the OC budget is subject to procurement (an estimated 3.1 billion shilling in Handeni district), but actual procurement varies considerably depending on

inflows; collections generally are around 75% and this affects OC expenditure and running of LGA services (as priority is given to payment of PE)

- In general terms, procurement for operations is done *ad-hoc* i.e. when funds arrive, best on a monthly basis, with little opportunity for adequate aggregation of supplies.
- Some *procurement for goods is delegated to Service Units* as part of Other Charges, but this is not adequately captured in most LGA procurement reports explaining partly the differences between planned and reported procurement
- Procurement on *Capitation Grants for Primary Schools and Secondary Schools (around 47% of education OC budget)* is delegated to schools; however, the BLS indicates that for instance transfers to primary schools were around 30% of budget (of Tsh 10,000 per pupil) which procurement efficiency and effectiveness
- *Supplies for health centres and dispensaries (around 36% of health OC)* are procured through the health sector procurement system; this was not (yet) researched in field work and will be better covered in follow-up action research and through Procurement Capability Assessments.
- Around 50% of the Capital Development Grants are targeting investments in Lower Local Governments and Service Units,
- Fieldwork established that in absence of LLG procurement guidelines *procurement planning and management at LLG level varies considerably* between districts, including:
 - some LGAs transferring funds to LLGs for procurement
 - other districts purchasing on behalf of LLGs
 - Some LLGs purchasing with payment by HLGs
 - All kinds of systems in-between all with different and poorly defined roles and responsibilities in the procurement cycle
- The *system used for supplies and small works contracts at LLG levels and schools* is done by using quotations and (sometimes) LPOs; contracts for small works is awarded to village craftsmen
- Few LGAs make use of the system for *Call-off orders* for Common Use Items and Services. The Base Line Study identified challenges of LGAs to use the system in line with findings of procurement audits including 1) selection of unqualified suppliers; 2) prices offered being comparatively higher than market prices and suppliers refusing to supply goods at the agreed prices; 3) long distances between entities and approved suppliers; 4) non-responsive suppliers failing to supply goods listed in their contracts and taking long time to supply goods; part of the problem seems to be related to the validity period of FWC prices compared to prices of pre-qualified suppliers, which are often reviewed during the year at regular intervals.

LGA Organisation

63. Procurement relevant factors related to the LGA organisation include the following:

- LGAs are a *complex organisation* and a typical LGA is structured with around 10 user departments, many sub-votes and vote controllers, a considerable number of Lower Local Governments with their own democratic governance structures (Village Councils, VC committees and Village Assembly), an intermediate level through Wards for coordination and interfacing between the HLG and the LLGs (Ward Development Committee), Divisions, and the HLG Councils composed of Councillors elected at Ward level (“constituency”) and committees
- The Base Line Study has mapped the procurement cycles and established *considerable differences in workflows, processes and systems* between districts and sector departments, which needs to be taken into account in procurement capacity building

- There is a *multitude of LGA work processes, systems and structures* which are not adequately defined, aligned and harmonised. This applies for instance to delegation of procurement decisions and authority to lower levels, absence of LLG procurement guidelines, no interface between plan/budget, FMIS and procurement planning & reporting, etc
- In most districts there are *HRM challenges* including inadequate staffing in critical positions in main User Departments (DE, DWE), staff turn-overs, difficulties in filling positions in hard-to-reach and hard-to-stay areas, etc; this has a negative impact on procurement preparations, quality assurance and contract management
- *Staffing of PMUs varies considerably*, many are understaffed, others are clearly over-staffed in absence of apparent guidelines for their establishment; the procurement capacity is not well defined, which is pre-condition for professionalization of the procurement function in the LGAs; currently around 50% of the Head of the PMUs are registered with the PSPBT according the PPRA data and even less including other LGA procurement professionals as established during the BLS
- Not all PMUs operate professionally and coach members of Tender Board and Evaluation Committees effectively and efficiently
- Necessary levels of *competences of procurement practitioners* (VEO, WEO, HoDs, members of Tender Boards and members of Evaluation Committees) are not well- defined
- *District Tender Boards* are mainly involved in approvals for contract awards and less at contract preparation and contract implementation stages: this poses considerable risks and inadequate check and balances in preparation of specifications, tender dossier, pre-selection of providers, contract implementation and variation orders. It was also noted during the BLS that tender boards are not involved in approvals for price reviews of pre-qualified suppliers within the Financial Year
- Not all *Internal Auditors* are able to act independently, operate professionally and include an acceptable sample of procurement processes in their internal audit for follow-up
- There are many *ad-hoc events*, often combined with considerable travel, which puts a strain on staff time for their normal functions
- *Resistance of LGAs to change*: procurement was devolved to District Tender Board long before PPA 2004, while procurement above certain ceilings was done by the Regional Tender Boards. LGA welcomed the part of procurement reform that served them well (i.e. full authority with LGA as Procuring Entity), while giving much less attention to reform and measures conceived as a threat, for instance establishing a professional PMU; standards for record keeping, use of standard documents; APP preparation, implementation and reporting; use of ICT for enhanced transparency and competition; adequate delegation to lower levels; and quality assurance of contract implementation.
- *Few LGAs have identified procurement and contract management as a low capacity area* that needs to be addressed through training, coaching, etc. The OPRAS systems generates training needs, but most district training plans lack a clear capacity needs identification based on workplace skills development approaches, effects and impact of trainings are hardly monitored, and there is strong emphasis on long-term academic training, which is important for individual career development but not necessary for the LGA as organisation. .
- However, during fieldwork *willingness* was observed to address LGA procurement issues.

Outputs and outcome:

64. The BLS established that outputs and outcomes of the project intervention largely depends on quality assurance of the procurement function, in particular related to:
- Procurement legislation in reference to all government levels needs to be conducive for

- transparent and accountable (local) government procurement
- CAG and PPRA adequately audit local government procurement processes and the government levels concerned adequately follow up to audit recommendations.

Other factors include:

- In particular in the rural districts, *inadequate local economic development* and low capacity for own-source revenue mobilisation constrain effectiveness and competition of LGA procurement related to *capacity of the market* to supply local goods and qualify for tenders and contracts
- Final beneficiaries and communities have *little awareness of LGA procurement processes* and management, which limits the effectiveness of social accountability and democratic oversight

2.2.1 Analysis of progress made

65. Following the analysis of the situation informed by desk study, organisation assessment and Base Line Study, some modifications are proposed to the initial project intervention logic at result level, key activities and assumptions. This will not affect the overall and specific objectives or project duration. The initial LG and proposed revised LF are presented in section 5.2 and 5.3 respectively. The revised LF will be further discussed and validated by stakeholders in the CB formulation workshop. It is expected that this process will strengthen the sense of ownership of implementing institutions and key stakeholders of the project intervention and wider LGA procurement capacity development.
66. The PPRA LGA procurement data and Base Line Study constitute the basis for the Monitoring & Evaluation Framework of the project. Action research will further provide in-depth analysis on structural and strategic factors that enable or constrain progress towards the intended results. The outcome is measures by four Key Performance Indicators (KPIs).

Outcome: Procurement capacity at local government level sustainably enhanced						
Indicators	Baseline value	Progress 2012/13	Progress 2013/14	Target 2014/15	End Target	Comments
KPI 1 Overall LGA CPI score increased	57% Poor	62%	67%	72%	> 80% Good	Baseline is FY 2011/12
KPI 2 Overall LGA CPI score in selected LGAs increased	49% Poor	55%	65%	75%	> 80% Good	
KPI 3 LGA VfM score Roads contracts improved	71% Fair				>80% Good	
KPI 4 LGA VfM score Building contracts Improved	68% Fair				> 80% Good	
Analysis of progress made towards outcome: Analyse the dynamics between the outputs achieved and the likely achievement of the Outcome (see Results Report Guide):						
<i>Relation between outputs and the Outcome. (How) Are outputs (still) contributing to the achievement of the outcome:</i>						
<i>Progress made towards the achievement of the outcome (on the basis of indicators):</i>						
Project interventions started in January 2013 so no progress can be attributed to the project						
<i>Issues that arose, influencing factors (positive or negative):</i>						
<i>Unexpected results:</i>						

67. The PPRA tested a new set of procurement Compliance and Performance Indicators in FY 2011/12 with more weight on quality assurance. The new system will be fully introduced starting FY 2012/13. The overall score of LGAs by using the old CPIs was 67% against 57% by using the new set of CPIs. The overall score of LGAs in the four identified regions by using the old CPIs is 57% or around 15% below the average score. The baseline for the LGAs in the four target regions is therefore estimated at 49%. Major change is expected through the project intervention in five LGA critical procurement areas, which are monitored through the procurement and VfM audits (see also results), to mention:
- Appropriateness in establishment and functioning of PMUs
 - Preparation and Implementation of Annual Procurement Plans
 - Records keeping
 - Quality assurance
 - Contract management
68. The Value for Money audits cover the procurement cycle and look into planning, procurement, contract administration and quality of works. Lowest capacity is in contract administration.

2.2.2 Risk management

The below table describes the development and reputatio risks and how they have been managed. Identified risks consist of risks emanating from the TFF and/or from the baseline study, and significant risks that have been identified during the implementation of the intervention. Risks can also be identified during the Results Monitoring.

- Describe the risk
- Score the probability that the risk might occur: High, Medium, Low
- Score the impact if the risk would occur: High Medium, Low

If a risk is attributed with a C or D score, detail the measures that have been taken/will be taken and indicate the person/actor responsible. For details on scoring: see Guide

Risk Identification			Risk analysis			Risk Treatment			Follow-up of risks	
Description of Risk	Period of identification	Risk category	Proba bility	Potential Impact	Total	Action(s)	Resp.	Deadl ine	Progress	Status
Low predictability in LGA budget transfers	TFF Inception	Effectiveness	M	H		Engagement with key stakeholders	PMO-RALG		GoT changed timelines for budget preparations	
Inadequate reporting by LGAs (procurement, budget execution)	Inception	Effectiveness	M	H		Included in Log Frame	JLPC			
						Procurement MIS	PPRA PMO-RALG			
LGAs limited control over staffing levels	TFF Inception	Effectiveness	M	M		Inter Government dialogue	PMO-RALG POPSM		PO-PSM included in JLPC	
						PMU Establishment / competences			PPPD included in JLPC	
Depth of policy dialogue	Inception	Sustainability	M	H		Engagement with key stakeholders	PIU JLPC		Sharing of information	
CB programmes struggle to measure and prove results	TFF Inception	Sustainability	M	H		Action research	PIU			
						Good M&E Framework	PIU JLPC			

2.2.3 Potential Impact

69. At this phase of the project, the intervention logic has been assessed as relevant and the proposed modifications in the Log Frame maximise the probability that the project specific objective (outcome) will contribute to the general objective of “Ensuring systems and structures of governance uphold the rule of law and are democratic, effective, accountable, predictable, transparent, inclusive and corruption free at all levels”. However, this is related to several assumptions as indicated in the revised Logical Framework, to mention:

- Government provides commensurate, reliable resources to LGAs to perform mandated functions as per D-by-D policy
- LGAs continue to enhance their capacity and systems in procurement
- Government remains committed to fight corruption, up-keeping the rule of law and citizen's right of access to information
- Private sector organisations employ integrity and anti-corruption measures and adhere to procurement standards
- Civil society engages actively in procurement monitoring and corruption cases

70. The project can only partly influence the impact through its interventions. This depends on other actors including quality of political leadership at all levels, willingness and ability of civil society to take up its social accountability role, willingness of Councils to respond to procurement issues, private sector organisations to adhere to accepted standards and apply sanctions, etc. LGAs themselves can only partly influence governance and service delivery outcomes, which is related to district potential (economic, social, etc), quality of development planning, provisions in PFM as well as procurement policy and the institutional, legal and regulatory framework.

2.2.4 Main changes in the Logical Framework

71. The modifications shown below are proposed in the results (Outputs) of the Logical Framework:

Initial Log Frame (Results)			Modified Log Frame (Results)	
S/n	Description		S/n	Description
1	PPRA capacity to provide long-term support to improved LGA procurement performance strengthened	→	1	LGA procurement performance strengthened
2	Systems for monitoring LGA procurement strengthened	→	2	Systems for monitoring LGA procurement strengthened
3	Civil society & media oversight of LGA procurement supported to better monitor & provide information on procurement performance	→	3	Community members better informed and able to monitor Local Government Procurement performance
4	Action research on LGA procurement practices, incentives and organizational structures conducted	→	4	Capacity to provide long-term support to improved LGA procurement performance strengthened
	General Means	→	5	Action research on LGA procurement practices, incentives and organizational structures conducted
		→		Efficient and effective Project Cycle Management

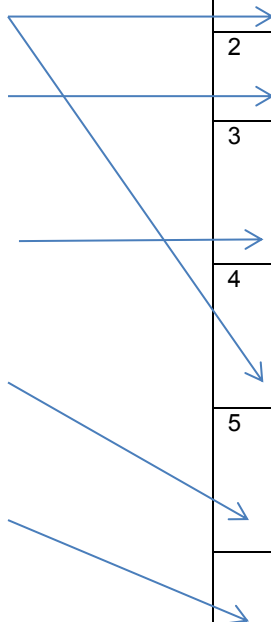
72. The rationale behind the *unbundling of Result No 1 in two result areas* is that capacity needs to be built to provide long-term support to improved LG procurement performance. This includes coordination and quality assurance of LGA procurement training (competence levels, skills levels of professionals and practitioners), improved outreach capacity of the PPRA to assure quality assurance of procurement audits (both internal and external) and follow-up to LGAs, development of LLG procurement guidelines, engagement in dialogue processes and technical assistance.
73. The initial result No 1 has been re-formulated to *strengthen LGA procurement capacity*, which deals primarily with development and introduction of procurement guides and toolkits, update and development of procurement training materials, formulation of procurement capacity skills development plans, district Training Teams - ToT/ToC, training of procurement professionals and practitioners, etc.
74. The description of initial *Result No 3* “Civil society & media oversight of LGA procurement supported to better monitor & provide information on procurement performance” reflects more a Key Activity instead of a result in terms of intended change at the beneficiary level. The Result has been reformulated to reflect this better to “*Community members better informed and able to monitor Local Government Procurement performance*”.
75. Project cycle management, coordination and quality assurance are provided through the general means (BTC) and Government of Tanzania contribution. This has been added to the Log Frame as “*Efficient and effective Project Cycle Management*”.
76. The TFF *adequately sequenced* the activities to achieve the intended results. An updated implementation calendar is presented in section 2.8 indicating the scheduling of key activities and activities;
- Starting with result No 1, result No 4 and result No. 2.
 - Action research is cross-cutting and needs to be deployed with the start of the operations
 - Result No 3 follows later
 - Project Cycle Management from start to finish

2.2.5 Main changes in budget

77. In relation to the proposed changes in the Logical Framework, the budget has been changed by making resources available from the original Result No 1 for the new result No 4, and review of Key Activities. The new proposed budget is detailed in Section 5.5. There are no changes (yet) proposed to the budgetary reserve. Budget changes at result level are summarised in the table below:

Initial Budget (Results)	
S/n	Description
1	PPRA capacity to provide long-term support to improved LGA procurement performance strengthened Budget: € 2,217,875
2	Systems for monitoring LGA procurement strengthened Budget: € 542,700
3	Civil society & media oversight of LGA procurement supported to better monitor & provide information on procurement performance Budget: € 520,470
4	Action research on LGA procurement practices, incentives and organizational structures conducted Budget: € 336,260
	General Means GoT Contribution Budget: € 916,080

Modified Budget (Results)	
S/n	Description
1	LGA procurement performance strengthened Budget: € 1,225,100
2	Systems for monitoring LGA procurement strengthened Budget: € 400,000
3	Community members better informed and able to monitor Local Government Procurement performance Budget: € 519,000
4	Capacity to provide long-term support to improved LGA procurement performance strengthened Budget: € 1,170,000
5	Action research on LGA procurement practices, incentives and organizational structures conducted Budget: € 302,800
	Efficient and effective Project Cycle Management Budget: € 916,080 GoT: € 264,000



2.2.6 Quality criteria

The sub-criteria to assess the project intervention for each of the criteria (Efficiency, Effectiveness, Sustainability and Relevance) will be developed at a later stage with all project partners.

2.3 Output 1: LGA Procurement Performance Strengthened

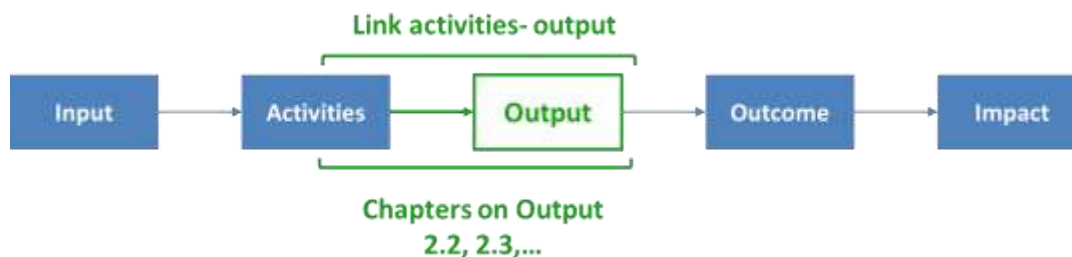
78. This section describes the modified Result No 1. The dynamics surrounding the evolution of this result area are captured in the indicators as re-assessed in the Base Line Study and missions. It should be recalled that some indicators relate to generic products and services whereas other capture the expected change in the selected LGAs. Besides the overall compliance and performance, five capacity areas have been identified as critical to strengthen LGA procurement³ performance:

- PMU establishment and capacitation
- Procurement record keeping
- Procurement planning, implementation and reporting
- Quality assurance
- Contract implementation

Quality assurance is cross-cutting and is also addressed through result No 2. The establishment of DIA in LGAs is outside the direct scope of the project and it is assumed that MoF and PMO-RALG will strengthen their capacity, with collaborative support through the project intervention in selected districts, if needed.

Several assumptions are relevant for achieving this output, to mention:

- Actors at all levels are committed to increasing LGA procurement performance
- Implementing institutions are adequately staffed and capacitated for LGA procurement capacity building & training
- LGAs appoint Training Teams and make resources available for procurement training at all levels
- LLG staff qualify to enter LGTI in-service training programmes
- Reliable LGAs connectivity for web-based FMIS and PMIS
- PMIS adequately interfaced with PlanRep and Epicor



³ Procurement is defined as combining procurement and contract management.

2.3.1 Analysis of progress made

Result 1: LGA procurement performance strengthened (Output)							
Indicators	Baseline value	Progress year N-1	Progress year N	Target year N	End Target	Comments	
I-1.1 Competences and skills-levels of LGA procurement professionals and practitioners developed and applied in training curricula	Absent				Defined and used	Generic, applied in EPC-LGAP products	
I-1.2 LGA Procurement capacity defined, PMU established and capacitated	Absent				Defined and in place	Generic, PMU sub-votes, staffing	
I-1.3 Approved HLGA and LLGA procurement guides and manuals prepared, updated and disseminated and used in trainings	Poor manuals				Adequate Manuals	Generic	
I-1.4 Procurement skills development plans defined, Procurement Training Teams established, ToT/ToC trained and functional in selected LGAs	Absent				Present 21 districts	Excludes MCs and CCs	
I-1.5 Procurement record keeping at HLG and LLG levels improved in selected LGAs	30%				> 80% 21 districts	Covering the 21 districts, meeting CPI criteria	
I-1.6 Procurement planning, implementation and reporting improved in selected LGAs	35%				> 80% 21 districts	Covering the 21 districts, meeting CPI criteria	
I-1.7 QTP list for procurement training updated and QTPs conversant with training materials	No update, no use				Update Use	Generic	
Progress of <u>main</u> activities				Progress:		Comments (only if the value is C or D)	
				A	B		C
A1.1 Review, update and introduction of LLG procurement guidelines							
A1.2 Development of LGA procurement skills-development plans							
A1.3 Capacitation of PMUs in critical procurement areas							
A1.4 Development and refinement of LGA procurement guides							
A1.5 Development and refinement of LGA procurement manuals							
A1.6 Dissemination updated procurement guides and manuals to LGAs - RAS/LGAMS							
A1.7 Establishment of procurement Training Teams (ToT/ToC) for procurement training and coaching at HLG and LLG levels							
A1.8 Support to LGA procurement training in identified areas							
A1.9 Development of professional courses on procurement at higher skill levels							
Analysis of progress made towards output: <i>Analyse the dynamics between the activities and the probable achievement of the Output (see Results Report Guide).</i>							
<i>Relation between activities and the Output. (how) Are activities contributing (still) to the achievement of the output (do not discuss activities as such?):</i>							
<i>Progress made towards the achievement of the output (on the basis of indicators):</i>				Project interventions start in January 2013 so no progress yet that can be attributed to the project			
<i>Issues that arose, influencing factors (positive or negative):</i>							
<i>Unexpected results (positive or negative):</i>							

2.3.2 Budget execution

79. Operations started in January 2013 and budget execution as at 31st December 2012 is 0% out of budget of € 1,097,875.

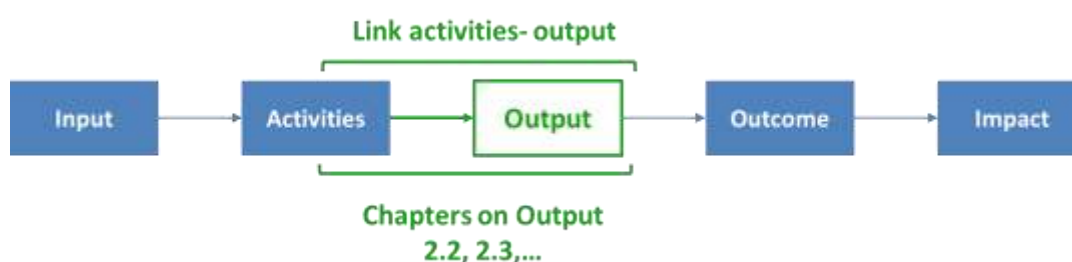
2.3.3 Quality criteria

80. Operations started in January 2013 and no scores can be given on the basis of the elements above by attributing a simple A, B, C or D score to the following criteria.

Criteria	Score
Efficiency	
Effectiveness	
Sustainability	

2.4 Output 2: Systems for Monitoring & Quality Assurance of LGA Procurement Strengthened

81. This section describes the modified Result No 2 and the dynamics surrounding the evolution of this result area as re-assessed in the Base Line Study and missions. The main changes with respect to the initial Log Frame include the enhanced LGA internal quality assurance processes through the District Internal Auditor and the increased use of the procurement MIS. It is further assumed that 1) Actors at all levels are committed to harmonization of LGA procurement monitoring and quality assurance; 2) RAS/LGAMS and PMO-RALG provide advice and monitor action taken by LGAs on DIA and CAG/PPRA reports; 3) PPRA zonal offices & dissemination centres adequately staffed and resourced, and 4) Procurement MIS is adequately customized and interfaced with other LGA MIS: PlanRep, Epicor, and the CDR/CFR reports.



2.4.1 Analysis of progress made

Result 2: Systems for monitoring and quality assurance LGA procurement strengthened (Output)						
Indicators	Baseline value	Progress year N-1	Progress year N	Target year N	End Target	Comments
I-2.1 Concurrence DIA reports on LGA procurement and contract implementation with CAG and PPRA audits increased	Largely different				Largely concurrent 21 districts	
I-2.2 Use of customized and interfaced Procurement MIS in selected LGAs increased	0%				> 80% 21 districts	
I-2.3 Procurement monitoring of PPRA, CAG and PMO-RALG increasingly based on similar agreed indicators	Differ				Largely concur	
I-2.3 Concurrence PMO-RALG procurement monitoring reports with PPRA procurement audits increased	Differ				Largely concur	
I-2.4 Adequate follow-up, coaching and advice by RAS/LGAMS to procurement monitoring in selected LGAs	No adequate Action				100% follow-up 4 regions 21 districts	
I-2.5 Adequate action as agreed in procurement audit follow-up to weak areas by selected LGAs	No adequate Action				100% follow-up 21 districts	

Progress of <u>main</u> activities	Progress:				Comments (only if the value is C or D)
	A	B	C	D	
A2.1 Harmonizing systems and indicators for monitoring LGA procurement compliance and performance					
A2.2 Strengthening capacity of Regional Secretariat to provide oversight, monitoring, coaching and follow-up support to LGAs on procurement					
A2.3 Support for customization and interfacing of Procurement MIS					
A2.4 Support for training of District Internal Auditors in procurement audits and quality assurance					
Analysis of progress made towards output: <i>Analyse the dynamics between the activities and the probable achievement of the Output (see Results Report Guide).</i>					
<i>Relation between activities and the Output. (how) Are activities contributing (still) to the achievement of the output (do not discuss activities as such?):</i>					
<i>Progress made towards the achievement of the output (on the basis of indicators):</i>					
<i>Issues that arose, influencing factors (positive or negative):</i>					
<i>Unexpected results (positive or negative):</i>					

2.4.2 Budget execution

82. Operations started in January 2013 and budget execution as at 31st December 2012 is 0% out of budget of € 542,700.

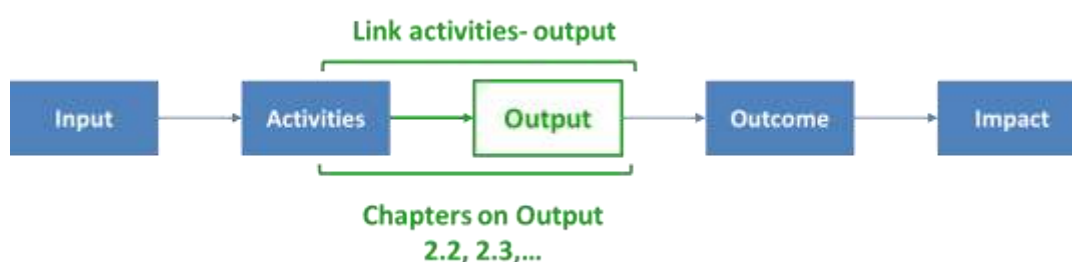
2.4.3 Quality criteria

83. Operations started in January 2013 and no scores can be given on the basis of the elements above attributing a simple A, B, C or D score to the following criteria.

Criteria	Score
Efficiency	
Effectiveness	
Sustainability	

2.5 Output 3: Community Members Better Informed & Able to Monitor LGA Procurement Performance

84. This section describes the modified Result No 3 “Community members better informed and able to monitor Local Government procurement performance”. The dynamics surrounding the evolution of this result area are captured in the indicators as re-assessed in the Base Line Study and missions. The main changes, besides the new description of the result, is the inclusion of the indicator that communities have more awareness on LGA procurement issues, and that structural interactions between PPRA and LAAC are based on mutual exchanges i.e. both oversight institutions to increase their skills. Except for the interactions between PPRA and LAAC. Key activities for this result area are scheduled to start in 2014, following preparatory activities in 2013.



2.5.1 Analysis of progress made

Result 3: Community members better informed and able to monitor Local Government procurement performance (Output)							
Indicators	Baseline value	Progress year N-1	Progress year N	Target year N	End Target	Comments	
I-3.1 Community awareness on LGA procurement issues in selected LGAs increased	Low				Majority aware	In 21 districts	
I-3.2 Ability of CSOs to monitor LGA procurement in selected districts and regions increased	None				tbd	In four regions and 21 districts	
I-3.3 Media coverage of LGA procurement issues in selected regions and LGAs increased	Low				Regular	National coverage with emphasis on LGAs in four regions	
I-3.4 Skills of LAAC and PPRA on LGA procurement issues, compliance and follow-up increased	Absent				In place		
Progress of main activities			Progress:				
			A	B	C	D	Comments (only if the value is C or D)
3.1 Providing guidance and materials to CSOs to increasing skills in tracking, analysing and reporting on LGA procurement							
3.2 Providing guidance and materials to media (radio, TV, local newspapers etc) to increasing skills in tracking, analysing and reporting on LGA procurement							
3.3 PPRA engages with Local Authorities Accounts Committee to increase skills in LGA procurement issues, compliance and follow-up							
Analysis of progress made towards output: <i>Analyse the dynamics between the activities and the probable achievement of the Output (see Results Report Guide).</i>							
<i>Relation between activities and the Output. (how) Are activities contributing (still) to the achievement of the output (do not discuss activities as such?):</i>							

<i>Progress made towards the achievement of the output (on the basis of indicators):</i>	
<i>Issues that arose, influencing factors (positive or negative):</i>	
<i>Unexpected results (positive or negative):</i>	

2.5.2 Budget execution

85. Operations started in January 2013 and budget execution ast at 31st December 2012 is 0% out of budget of € 520,470.

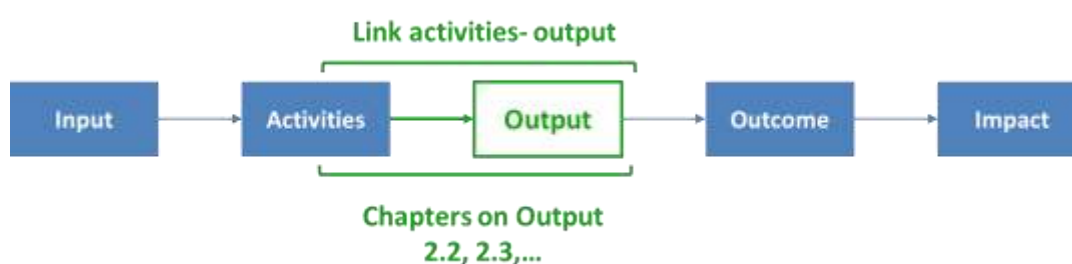
2.5.3 Quality criteria

86. Operations are scheduled for 2014 and no scores can be given on the basis of the elements above by attributing a simple A, B, C or D score to the following criteria.

Criteria	Score
Efficiency	
Effectiveness	
Sustainability	

2.6 Output 4: Strengthened Capacity to Provide Long-Term Support to Improved LGA Procurement Performance

87. This section describes the new Result 4 “*Strengthened capacity to provide long-term support to improved LGA procurement performance*” and the dynamics surrounding the evolution of this output as captured in the Indicators. The main changes include formulation of the LGA procurement capacity building strategy, increased outreach capacity of PPRA to LGAs and RAS/LGAMS through the zonal offices & dissemination centres as per PPRA strategic plan. This is justified by the increase in LGAs, distances between PPRA and LGAs and the need for increased monitoring, follow-up and coaching in view of stagnating improvement in LGA procurement capacity. It is also foreseen that LGA procurement audits will be more appropriate with higher coverage of LGAs. It is assumed that competences of LGA procurement professionals are defined.



2.6.1 Analysis of progress made

Result 4: Strengthened capacity to provide long-term support to improved LGA procurement performance (Output)						
Indicators	Baseline value	Progress year N-1	Progress year N	Target year N	End Target	Comments
I-4.1 Outreach capacity of PPRA to LGAs and RAS/LGAMS increased	Low				Adequate	
I-4.2 Coverage and appropriateness of LGA procurement audits increased	1/3				2/3	Annual coverage
I-4.3 Capacity of DIA and CAG to assure quality of procurement audits increased	Low				Adequate	
I-4.4 Policy dialogue on LGA procurement strengthened	Low				Adequate	
I-4.5 All stakeholders increasingly engaged in dialogue on how to improve LGA procurement performance	Fair				Adequate	
I-4.6 Quality assurance and coordination of LGA procurement training improved	Absent				In place	

Progress of <u>main</u> activities	Progress:				Comments (only if the value is C or D)
	A	B	C	D	
4.1 Formulation of LGA Procurement Capacity Building Strategy		√			
4.2 Strengthening PPRA outreach capacity to LGAs			√		Admin delays
4.3 Increasing appropriateness and coverage of LGA procurement audits by PPRA, DIA and CAG					
4.4 Provision of Technical Assistance		√			
4.5 Strengthening quality assurance and coordination of LGA procurement training					
4.6 Engaging all stakeholders in dialogue on how to improve LGA procurement performance					
Analysis of progress made towards output: <i>Analyse the dynamics between the activities and the probable achievement of the Output (see Results Report Guide).</i>					
<i>Relation between activities and the Output. (how) Are activities contributing (still) to the achievement of the output (do not discuss activities as such?):</i>	Most start-up activities have been completed (Organisation Assessment, Base Line Study fieldwork), which will feed into the LGA procurement Capacity Building Strategy. Consultations and dialogue with implementing institutions and stakeholders is on-going. Project pre-conditions and preliminaries are in place as per revised Log Frame				
<i>Progress made towards the achievement of the output (on the basis of indicators):</i>					
<i>Issues that arose, influencing factors (positive or negative):</i>					
<i>Unexpected results (positive or negative):</i>					

2.6.2 Budget execution

88. Start-up and inception started in June 2012 and budget execution as at 31st December 2012 is 8.7% out of the budget of € 1,120,000.

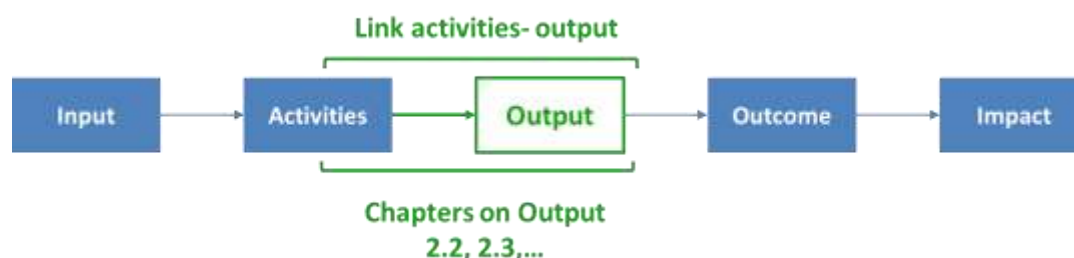
2.6.3 Quality criteria

89. Start-up and inception started in June 2012 and scores given on the basis of the elements above, attributes a simple B score to the following criteria. It is too early to give a score for sustainability.

Criteria	Score
Efficiency	B
Effectiveness	B
Sustainability	

2.7 Output 5: Action Research

90. This section describes Result 5 “Action research on LGA procurement practices, incentives and organizational structures conducted” and the dynamics surrounding the evolution of this Output as captured in the Indicators. The main change includes the insertion of the LGA procurement database.



2.7.1 Analysis of progress made

Output 5: Action research on LGA procurement practices, incentives and organizational structures conducted							
Indicators	Baseline value	Progress year N-1	Progress year N	Target year N	End Target	Comments	
I-5.1 Action research findings and recommendations reflected in project design and reviews	-						
I-5.2 LGA procurement capacity building strategy formulated	-						
I-5.3 Policy recommendations based on (gender sensitive) action research prepared, targeted and communicated	-						
I-5.4 LGA procurement capacity data base established and maintained	-				In place	Based on existing M&E, integrated	
Progress of <u>main</u> activities			Progress:				Comments (only if the value is C or D)
			A	B	C	D	
A5.1 Conducting action research (gender sensitive) on LGA procurement practices, incentives and organizational structures to inform program design, dialogue and recommendations on policy reform				√			
A5.2 Providing follow-up to Action Research							
A5.3 Assessing methodology, results and impact							
A5.4 Establishing and maintaining LGA procurement capacity database				√			
Analysis of progress made towards output: <i>Analyse the dynamics between the activities and the probable achievement of the Output (see Results Report Guide).</i>							
<i>Relation between activities and the Output. (how) Are activities contributing (still) to the achievement of the output (do not discuss activities as such?):</i>							
<i>Progress made towards the achievement of the output (on the basis of indicators):</i>							
<i>Issues that arose, influencing factors (positive or negative):</i>							
<i>Unexpected results (positive or negative):</i>							

2.7.2 Budget execution

91. Operations started in January 2013 and budget execution is 0% out of budget of € 336,260.

2.7.3 Quality criteria

92. Operations started in January 2013 and no scores can be given on the basis of the elements above, attributing a simple A, B, C or D score to the following criteria. The procurement capacity database has been awarded and commenced.

Criteria	Score
Efficiency	B
Effectiveness	
Sustainability	

3 TRANSVERSAL THEMES

The below sections explain how the intervention takes into account Transversal Themes.

3.1 Gender

93. Gender differentiated indicators will be included in the project M&E framework i.e. level of women's participation in Tender Boards, Procurement Management Units, committees, and participation of women in training provided under the project. While reviewing procurement regulations, guidelines, procedures and public procurement rules positive actions to promote women's participation will be discussed where appropriate.

3.2 Environment

94. The project shall, in line with the development strategies of Tanzania and the priorities defined in the IDCP, take into account the sustainable use of environmental and natural resources in relation to LGA procurement. This will be conducted in several areas including:
- Geographic selection of implementation areas: one of the pilot regions includes LGAs in Kigoma region, which includes the BTC Beekeeping Support Project.
 - Review of the procurement curriculum and training programmes offered to Local Government officials to identify whether they integrate the environmental dimensions of procurement and contract management. This includes procurement of local materials, the sustainable use of natural resources in local government planning and construction, reduction of energy use and promotion of renewable energy sources, sustainable maintenance, etc.
 - Dialogue with PPPD and PPRA to support the integration of 'green procurement' practices into procurement guidelines, guides, curriculum and training programs. BTC is currently devising Green Procurement Guidelines, which can be drawn upon for best practices.
 - Management of the Project Implementation Unit in an environmentally sustainable way and maximum use of e-filing and e-documentation, reducing printing costs and ICT to reduce environmental costs.
 - Attention to the environmental impact of travel for project supervision and implementation, including both international travel (Belgium-Tanzania) and in-country transport needs.
 - Project's evaluation and expertise: references to BTC's attention to environment and sustainable development will be explicit in the terms of reference of the staff, national and international, employed by the project, and of the studies and surveys such as mid-term of final evaluation of the project.
 - Special attention to align with Tanzanian environmental regulations and administrative system, which give a major role to Local Government Authorities.

3.3 Other

95. The TFF does not explicitly mention the importance of *Health and Safety* in public procurement. This is an important transversal theme that needs to be integrated in procurement policy and regulations in particular with procurement moving to a whole-life project or service approach in particular the construction, transport and energy sectors.

96. *HIV/AIDS* is important in respect to procurement for works contracts (roads, building constructions) and the responsibilities of clients and contractors should be integrated in the specifications of tenders and contract provisions.
97. The TFF does not make provisions for *Local Economic Development* and promotion of *Small and Medium Enterprises* through LGA procurement. This will be addressed and integrated in the procurement guides and training manuals developed under the project.

4 STEERING AND LEARNING

4.1 Action Plan

98. The table below indicates the main strategic and operational decision and actions to be taken.

Action plan <i>Description of the action/decisions</i>	Source <i>Reference</i>	Actor <i>Responsible</i>	Deadline <i>Period</i>
Review and approval of the Inception Report, proposed Log Frame and Key Activities		JLPC	2013-Q1
Update and approval of final Log Frame following the LGA Procurement Capacity Building Workshop		JLPC	2013-Q2
Approval of the Project Implementation Manual		JLPC	2013-Q1
Finalise Implementation Agreements		PIU JLPC	2013-Q2/Q3
Customization and interfacing of the PMIS		PPRA PMO-RALG	2013-Q2/Q4
Preparation of LLG Procurement Guidelines		PPRA PMO-RALG	2013-Q2/Q4
Additional Procurement expertise in LGAMS		PMO-RALG PO-PSM	2013-Q3/Q4
Harmonizing procurement indicators for audits and quality assurance		PPRA, CAG. IAG	2013- Q2/Q4
Defining procurement competences and skills-levels of LGA procurement professionals and practitioners		PPPD, PPRA, PSPTB	2013-Q2/Q4

4.2 Lessons Learned

99. The table below summarises the important lessons learned during the start-up and inception phase.

Lessons learned	Target audience
Importance of maximising sense of ownership in project intervention and joint preparations in capacity building	GoT, BTC
Usefulness of a flexible approach allowing to make changes in project design, selection of project partners, etc	BTC, GoT
Capacity building is incremental, but needs to be based on clearly defined roles and responsibilities with a clear monitoring & evaluation framework to allow for modifications and lesson learning	BTC, GoT
Preparatory phase can be improved by starting with the BLS, followed by Organisation Assessment and preparation of "final" intervention logic	BTC

5 ANNEXES

5.1 Original Logical Framework

100. The original Logical framework is presented on the next pages.

Global Objective			
Ensuring systems and structures of governance uphold the rule of law and are democratic, effective, accountable, predictable, transparent, inclusive and corruption free at all levels			
Specific objective	Performance Indicators	Means of verification	Assumptions
Procurement capacity at local government level is sustainably enhanced	<ul style="list-style-type: none"> - PPRA compliance inspections increase in coverage and frequency - Compliance of LGA with procurement regulations is increased 	<ul style="list-style-type: none"> - PPRA compliance reports - CAG LGA Audit reports - CSO Reporting on procurement issues (e.g. NGO 'Twaweza', HakiElimu etc) 	<ul style="list-style-type: none"> - Government remains committed to fight corruption - Civil society engages actively in procurement monitoring and corruption cases - LGA continue to enhance their systems and capacity in procurement
Results	Performance Indicators	Means of verification	Assumptions
1. PPRA capacity to provide long-term support to improved LGA procurement performance is strengthened	<ul style="list-style-type: none"> - PPRA Procurement manuals and guidelines for LGAs and LLGs are prepared, updated, reviewed and disseminated in a gender sensitive way - At least 1 TOT from each LGA trained (gender disaggregated) - Increase in LGA staff trained (gender disaggregated) - Improvement of LLGs procurement capacity measured by PPRAs compliance rate - At least 50 per cent of all LGAs sensitized on procurement systems and tools developed by PPRA; - Public procurement curricula for higher LGA skills level and gender sensitive training materials developed and made available; - QTP list updated, and QTPs aware of new training materials - Technical Assistance is provided through the International Sector Expert to reinforce the capacity of project partners, ensure timely implementation of project activities and strengthen the policy dialogue with both GoT and donor partners 	<ul style="list-style-type: none"> - PPRA Compliance reports - Annual CDG Assessments - Project Annual Report 	<ul style="list-style-type: none"> - PPRA properly staffed - LGAs use the CBGs to enhance procurement capacities through short term standardised courses and using the LGA based TOTs - Demand for procurement training by LGAs increases and funding is made available under Capacity Building Grant
2. The systems for monitoring LGA procurement are strengthened	<ul style="list-style-type: none"> - PPRA Compliance Procurement M&E indicators aligned and revised in a gender sensitive manner - PPRA/PMORALG/CAG use same agreed indicators for LGA monitoring - Increase in monitoring visits carried by PMORALG/RS - Increase follow up and action taken by PMO- 	<ul style="list-style-type: none"> - PPRA Compliance Reports - CAG LGA Audit Report - PMORALG/RS Annual Assessments of LGAs 	<ul style="list-style-type: none"> - All local government procurement/PFM monitoring agencies such as PPRA, CAG, MOF, PMORALG/RS - PPRA and PMORALG/RS actively coordinate and participate in M&E of procurement at LGA level

	<p>RALGRS</p> <ul style="list-style-type: none"> - Increase in sanctions/responses implemented by LGAs through PMO-RALG to weaknesses identified in PPRA compliance reports and CAG audits 		
<p>3. Civil society and media oversight of LGA procurement is supported to better monitor and provide information on procurement performance</p>	<ul style="list-style-type: none"> - Increase in number of CSOs and media representatives trained on procurement issues and their gender dimension - Increase in number of radio programmes addressing procurement issues for LGAs - 20 Civil Society Organisations (CSOs) identified and enhanced to monitor, report and inform the public on procurement processes and outcomes by 2014, of which a certain percentage will be women's/female-led CSOs or CSOs addressing the gender dimension of procurement; - PPRA engages Parliament Local Authorities Accounts Committee and provides it with information, policy recommendations and dialogue on LGA procurement issues 	<ul style="list-style-type: none"> - Annual CSO reports - Newspaper reports from Guardian, Citizen, Daily News etc - Radio and TV programmes - Interviews with PPRA and PLAAC 	<ul style="list-style-type: none"> - CSO and media willing and able to enhance their roles in uncovering procurement malpractice and reporting on these - Parliament Local Authorities Accounts Committee makes time to meet with PPRA
<p>4. Action research on LGA procurement practices, incentives and organizational structures is conducted to inform program design, dialogue and recommendations on policy reform</p>	<ul style="list-style-type: none"> - PPRA and Project Implementation Unit adapt program design to reflect and act on the findings of the action research - Action Research in first year provides needs analysis, prioritised capacity building program and practical modalities on how to deliver capacity building training in a cost-efficient way. - Policy recommendations are prepared based on the (gender sensitive) action research, and are targeted and communicated to different audiences (donors, LGAs, central government etc) - PPRA engages all stakeholders in a dialogue on how to improve LGA procurement performance (with participation of women – gender disaggregated) 	<ul style="list-style-type: none"> - Project reports and Mid-Term Review - Outputs of Action Research 	<ul style="list-style-type: none"> - All stakeholders disclose openly weaknesses and opportunities in the procurement system and processes - Strong Terms of Reference are developed and strong consultant(s) found to deliver Action Research

	Activities to reach Result 1	Resources needed (HR, logistics etc)
R 1	<u>Result 1</u> PPRA capacity to provide long-term support to improved LGA procurement performance is strengthened	
A 1.1	A 1.1 Development and refinement of manuals and guidelines for LGA procurement staff <ul style="list-style-type: none"> • PPRA updates manuals/guidelines for procurement at LGA level, specifying roles and responsibilities of all LGA stakeholders in the procurement process, with a attention to the roles women and men take in these processes • PPRA updates manuals/guidelines for procurement in LLGs, specifying roles and responsibilities of all actors in the procurement process, with particular attention to the relationship between higher and lower level local governments in the procurement process, and addressing the gender perspective 	Staff, office, transport, training materials, expertise
A 1.2	A 1.2 Dissemination of updated procurement manuals and guidelines to LGAs and Regional Secretariats <ul style="list-style-type: none"> • PPRA and PMO-RALG design a dissemination strategy and prepare dissemination package to ensure the updated guidelines and manuals are transmitted to LGA and RS levels • PPRA tests the package in selected LGAs and RS • PPRA and PMO-RALG update the list of QTPs • PPRA and PMO-RALG review experiences, adapt dissemination strategy according to lessons learned and roll out nationwide, taking into account the gender specific findings 	Staff, office, transport, training materials, expertise
A 1.3	A 1.3 Development of professional courses on procurement at higher skill levels In order to provide training at higher skills levels, the following activities will be implemented under this component: <ul style="list-style-type: none"> • PPRA collaborates with PMO-RALG and Hombolo LGTI to develop gender-sensitive course materials on LGA procurement targeting different skills levels (advanced, management etc) • PPRA together with Hombolo will prepare case-study material on the challenges, pitfalls and experiences of procurement practice in Tanzania • PPRA and Hombolo will collaborate to select the best qualified training providers to provide the training • PPRA and Hombolo work with QTPs to ensure QTPs fully understand and can apply the training materials 	Staff, office, transport, training materials, expertise
A 1.4	A 1.4 Training of trainers (TOTs) at LGA (HLG) level for training Lower-level Local Governments on procurement issues <ul style="list-style-type: none"> • PPRA works with PMO-RALG and Hombolo LGTI to develop gender-sensitive training materials targeted to LLG level, based on LLG procurement guidelines • PPRA works with QTPs to train them in LLG manuals and guidelines (the selection of QTPs for LLG training will be done by PPRA and Hombolo) • QTPs provide TOT training to LGA staff (to be defined) for on-job-training of LLGs 	Staff, office, transport, training materials, expertise
A 1.5	A 1.5 Technical Assistance Technical Assistance is provided through the International Sector Expert to reinforce the capacity of project partners, ensure timely implementation of project activities and strengthen the policy dialogue with both GoT and donor partners	

	Activities to reach Result 1	Resources needed (HR, logistics etc)
R 2	<u>Result 2</u> The systems for monitoring LGA procurement are strengthened	
A 2.1	A 2.1 Harmonizing systems and indicators for monitoring compliance at LGA level <ul style="list-style-type: none"> • PPRA conducts a review of its own monitoring system to verify if its indicators for monitoring LGA procurement compliance are up to date • PPRA reviews the (gender disaggregated) indicators used by other stakeholders (e.g. Annual Assessments under LGDG system, CAG, PAF-PFMRP's joint annual assessment, the LGRP benchmarking system for financial management etc) with a view to harmonizing both sets of indicators • PPRA organizes a dialogue with other stakeholders on alignment of indicators for monitoring LGA procurement performance (stakeholders of female CSOs are invited) 	Staff, office, expertise
A 2.2	A 2.2 PMO-RALG strengthens Regional Secretariat to provide oversight, monitoring and follow-up support to LGAs on procurement <ul style="list-style-type: none"> • PMO-RALG strengthens its monitoring and follow-up of LGA procurement performance • LGAs through PMO-RALG provides adequate sanctions and responses to weaknesses identified in PPRA compliance reports and CAG audits. • PMO-RALG works with Regional Secretariats to support LGA procurement staff, LGA internal audit capacity, LGAs Audit Committee capacity and LGA-level PCCB 'Integrity Committees' to carry out their functions in monitoring procurement performance • Regular Inspection/monitoring visits will be carried out by PMO-RALG/RS to LGAs • LGAs through PMO-RALG provides adequate sanctions and responses to weaknesses identified in PPRA compliance reports and CAG audits. 	Staff, office, transport, expertise
R 3	<u>Result 3</u> Civil society and media oversight of LGA procurement is supported to better monitor and provide information on procurement performance	
A 3.1	A 3.1 PPRA provides guidance and materials to CSOs to increase their skills in tracking and analysing procurement at LGA level, in a gender sensitive way. <ul style="list-style-type: none"> • PPRA prepares tools targeted to help CSOs (in particular women's CSOs) monitor procurement at grassroots level and disseminate the information to communities. PPRA designs materials targeting civil society that empower CSOs to access, analyse and publicise information about LGA procurement practices and performance • PPRA trains CSOs (in particular women's CSOs) on how to use the tools developed. PPRA works with CSOs to use the materials for their work • PPRA provides tools and training to LGAs Audit Committee to better carry out their work in monitoring LGA procurement performance 	Staff, office, transport, training materials, expertise
A 3.2	A 3.2 PPRA provides guidance and materials to media (radio, TV, local newspapers etc) to increase their skills in tracking and analysing procurement at LGA level. <ul style="list-style-type: none"> • PPRA develops materials and tools targeted to Tanzanian media (e.g. local radio, newspapers, TV etc), to help them disseminate and debate information on LGA procurement practices and issues. • PPRA engages with media outlets (newspapers, radio, TV etc) to disseminate and train them in the materials 	Staff, office
A 3.3	A 3.3 PPRA engages with the Parliament Local Authorities Accounts Committee to improve their knowledge and awareness of procurement compliance and non-compliance issues at LGA levels	Staff, office, transport

	Activities to reach Result 1	Resources needed (HR, logistics etc)
	<ul style="list-style-type: none"> • PPRA makes contact with Tanzanian Parliament's Local Authorities Accounts Committee, organises meetings and dialogues, and provides information, to encourage them to exert their pressure on government, and actively inquire into procurement performance at LGA level • PPRA transmits information and policy recommendations to the Parliament Local Authorities Accounts Committee through meetings, written policy recommendations and workshops with other stakeholders, to ensure frequent dialogue on LGA procurement issues 	
R 4	<p><u>Result 4</u></p> <p>Action research on LGA procurement practices, incentives and organizational structures is conducted to inform program design, dialogue and recommendations on policy reform</p>	
A 4.1	<p>A 4.1 Action research (gender sensitive) on LGA procurement practices, incentives and organizational structures is conducted to inform program design, dialogue and recommendations on policy reform</p> <p>Terms of Reference for the Action Research will be drawn up by the PIU together with BTC and PPRA, for review by the JLPC. These will describe the content and purpose of the research, the profile of the consultants who will conduct it, and a representative sample of study sites. The profile of the consultant carrying out the Action Research should be oriented towards practical (rather than theoretical) skills in devising a cost-efficient program of capacity building in Tanzania.</p> <p>Among the topics that will be covered in the ToR will be:</p> <ol style="list-style-type: none"> (a) Situation/needs analysis of current LGA procurement practices, organizational structures and capacity gaps among stakeholders involved in LGA procurement. (b) Analysis of the incentives for LGAs to perform their procurement functions correctly, and recommendations to improve these incentives (c) Proposals for strengthening the sanctions for non-compliance with audit results. (d) Prioritised training program to be delivered under the program, based on the analysis, identifying institutional capacities to deliver training, with short, medium and long-term measures to be taken (e) Practical, feasible, actionable and detailed modalities on how to deliver the training in a practical, cost-efficient way in the Tanzanian context. These will be used to inform the design and implementation of the capacity building under the project. (f) Policy recommendations on improving LGA performance, to inform BTC and PPRA policy dialogue with donors, other government ministries and agencies, training institutes, LGAs, RS etc) (g) Assessment of feasibility of introducing environmental and/or climate-change related indicators into PPRA's regular monitoring of LGA procurement compliance and its indicators (if this change to LGA procurement indicators is accepted and approved, a follow-up to this can be made in a sustainable manner) (h) Specific recommendations on measures to improve the procurement practices and performance of the LGAs/RS in which the study is conducted (i) Specific recommendations on integrating the gender dimension into capacity building and ensuring the gender-neutrality of procurement practices. 	Staff, office, transport, expertise

5.2 Updated Logical Framework

101. This section presents the proposed updated logical framework as established through desk study, organisation assessments, Base Line Study and discussions with project partners.

LOGICAL FRAMEWORK MATRIX (PROPOSED FEBRUARY 2013)			
ENHANCEMENT OF PROCUREMENT CAPACITY OF LOCAL GOVERNMENT AUTHORITIES PROJECT (EPC-LGAP)			
Intervention Logic	Performance Indicators ⁴	Means of Verification	Assumptions
<p>Overall Objective:</p> <p>Contribute to ensuring systems and structures of governance uphold the rule of law and are democratic, effective, accountable, predictable, transparent, inclusive and corruption free at all levels</p>		<ul style="list-style-type: none"> ▪ Government statistics ▪ LGA FMIS 	<ul style="list-style-type: none"> ▪ Sound macro-economic policies continue to be implemented ▪ Conducive environment to democratic governance in place
<p>Specific Objective:</p> <p>Procurement capacity at local government level sustainably enhanced</p>	<ul style="list-style-type: none"> ▪ Compliance of LGAs (HLGs and LLGs) to procurement regulations increased <ul style="list-style-type: none"> - Overall CPI score of LGAs increased - Overall CPI score in selected LGAs increased - LGA VfM scores of Road contracts improved - LGA VfM score of Building contracts improved 	<ul style="list-style-type: none"> ▪ PPRA compliance reports ▪ CAG reports ▪ LGA Internal Audit reports ▪ CSO reports on LGA procurement 	<ul style="list-style-type: none"> ▪ Government remains committed to fight corruption and up-keeping the rule of law ▪ Government continues decentralisation by D-by-D and provides commensurate, reliable resources to LGAs to perform mandated functions ▪ Civil society engages actively in procurement monitoring and corruption cases ▪ Private sector organisations employ integrity and anti-corruption measures and adhere to procurement standards ▪ LGA continue to enhance their systems and capacity in procurement ▪ PMO-RALG and HLGTI play their role in coordinating and quality assurance of LGA training and capacity building
<p>Result 1:</p> <p>LGA procurement performance strengthened</p> <p>Key Activities:</p> <p>1.1 Review, update and introduction of LLG procurement guidelines</p> <p>1.2 Development of LGA procurement skills-development plans</p> <p>1.3 Capacitation of PMUs in critical procurement areas</p>	<ul style="list-style-type: none"> ▪ Competences and skills-levels of LGA procurement professionals and practitioners developed and applied in training curricula ▪ LGA Procurement capacity defined, PMU established and capacitated ▪ Approved HLGTA and LLGA procurement guides and manuals prepared, updated and disseminated and used in trainings ▪ Procurement skills development plans defined, Procurement Training Teams established, ToT/ToC trained and functional in selected LGAs 	<ul style="list-style-type: none"> ▪ Procurement regulatory framework ▪ PPRA compliance reports ▪ Annual Assessments ▪ HLGTI LGA training reports ▪ Annual Report ▪ District plans ▪ Training materials 	<ul style="list-style-type: none"> ▪ Actors at all levels are committed to increasing LGA procurement performance ▪ Implementing institutions are adequately staffed and capacitated for LGA procurement capacity building & training ▪ LLG staff qualify to enter LGTI in-service training programmes ▪ Reliable LGAs connectivity for web-based FMIS and PMIS ▪ PMIS adequately interfaced with PlanRep and Epicor

⁴ Baseline values and targets are specified in the sections of this report dealing with “progress made” and will be included in the M&F Framework

LOGICAL FRAMEWORK MATRIX (PROPOSED FEBRUARY 2013)			
ENHANCEMENT OF PROCUREMENT CAPACITY OF LOCAL GOVERNMENT AUTHORITIES PROJECT (EPC-LGAP)			
Intervention Logic	Performance Indicators ⁴	Means of Verification	Assumptions
1.4 Development and refinement of LGA procurement guides and toolkits 1.5 Development and refinement of LGA procurement manuals 1.6 Dissemination of updated procurement guides and manuals to LGAs - RAS/LGAMS 1.7 Establishment of procurement Training Teams (ToT/ToC) for procurement training and coaching at HLG and LLG levels 1.8 Support to LGA procurement training in identified areas 1.9 Development of professional courses on procurement at higher skill levels	<ul style="list-style-type: none"> ▪ Procurement record keeping at HLG and LLG levels improved in selected LGAs ▪ Procurement planning, implementation and reporting improved in selected LGAs ▪ QTP list for procurement training updated and QTPs conversant with training materials 		<ul style="list-style-type: none"> ▪ LGAs appoint Training Teams and make resources available for procurement training at all levels
<p>Result 2: Systems for monitoring LGA procurement strengthened</p> <p>Key Activities:</p> 2.1 Harmonizing systems and indicators for monitoring LGA procurement compliance and performance 2.2 Strengthening Regional Secretariat to provide oversight, monitoring, coaching and follow-up support to LGAs on procurement 2.3 Support for customization and interfacing of LGA procurement MIS 2.4 Support for training of District Internal Auditors in procurement audits and quality assurance	<ul style="list-style-type: none"> ▪ Concurrence DIA reports on LGA procurement and contract implementation with CAG and PPRA audits increased ▪ Use of customized and interfaced Procurement MIS in selected LGAs increased ▪ Procurement monitoring of PPRA, CAG and PMO-RALG increasingly based on similar agreed indicators ▪ Concurrence PMO-RALG procurement monitoring reports with PPRA procurement audits increased ▪ Adequate follow-up, coaching and advice by RAS/LGAMS to procurement monitoring in selected LGAs ▪ Adequate action as agreed in procurement audit follow-up to weak areas by selected LGAs 	<ul style="list-style-type: none"> ▪ PPRA Compliance Reports ▪ CAG Reports ▪ DIA reports ▪ Annual Assessment reports 	<ul style="list-style-type: none"> ▪ Actors at all levels are committed to harmonization of LGA procurement monitoring and quality assurance ▪ RAS/LGAMS and PMO-RALG provide advice and monitor action taken by LGAs on DIA and CAG/PPRA reports

LOGICAL FRAMEWORK MATRIX (PROPOSED FEBRUARY 2013)			
ENHANCEMENT OF PROCUREMENT CAPACITY OF LOCAL GOVERNMENT AUTHORITIES PROJECT (EPC-LGAP)			
Intervention Logic	Performance Indicators ⁴	Means of Verification	Assumptions
<p>Result 3: Community members better informed and able to monitor Local Government procurement performance</p> <p>Key Activities: 3.1 Providing guidance and materials to CSOs to increasing skills in tracking, analysing and reporting on LGA procurement 3.2 Providing guidance and materials to media (radio, TV, local newspapers etc) to increasing skills in tracking, analysing and reporting on LGA procurement 3.3 PPRA engages with Local Authorities Accounts Committee to increase skills in LGA procurement issues, compliance and follow-up</p>	<ul style="list-style-type: none"> ▪ Community awareness on LGA procurement issues in selected LGAs increased ▪ Ability of CSOs to monitor LGA procurement in selected districts and regions increased ▪ Media coverage of LGA procurement and contract management issues in selected regions and LGAs increased ▪ Skills of LAAC and PPRA on LGA procurement issues, compliance and follow-up increased 	<ul style="list-style-type: none"> ▪ PPRA tender portal ▪ Annual CSO reports ▪ Newspaper reports ▪ Radio and TV programmes ▪ Interviews with PPRA and LAAC ▪ Minutes of Council meetings 	<ul style="list-style-type: none"> ▪ CSO and media willing and able to enhance their roles in uncovering procurement malpractices and reporting on these ▪ Independence of media and access to information recognized and maintained ▪ Parliament Local Authorities Accounts Committee makes time to meet with PPRA ▪ LGAs willing to discuss procurement issues with citizens
<p>Result 4: Capacity to provide long-term support to improved LGA procurement performance strengthened</p> <p>Key Activities: 4.1 Formulation of LGA Procurement capacity Building Strategy 4.2 Strengthening PPRA outreach capacity to LGAs 4.3 Increasing appropriateness and coverage of LGA procurement audits by PPRA, DIA and CAG 4.4 Provision of Technical Assistance 4.5 Strengthening quality assurance and coordination of LGA procurement training 4.6 Engaging all stakeholders in dialogue on how to improve LGA procurement performance</p>	<ul style="list-style-type: none"> ▪ Outreach capacity of PPRA to LGAs and RAS/LGAMS increased ▪ Coverage and appropriateness of LGA procurement audits increased ▪ Capacity of DIA and CAG to assure quality of procurement audits increased ▪ Policy dialogue on LGA procurement strengthened ▪ All stakeholders increasingly engaged in dialogue on how to improve LGA procurement performance ▪ Quality assurance and coordination of LGA procurement training improved 	<ul style="list-style-type: none"> ▪ LGA Procurement Capacity Building Strategy ▪ PPRA reports ▪ LGA audit reports (DIA, CAG) ▪ LGA training reports ▪ Annual report 	<ul style="list-style-type: none"> ▪ CAG, IAG and DIA are willing to audit LGA procurement ▪ PFMRP build adequate capacity of DIAs ▪ All JLPC members are willing and able to participate in JLPC meetings ▪ LGAs and Training Entities fully collaborate in procurement training coordination and quality assurance ▪ Procurement regulations and guidelines in place per PPA 2011 ▪ Competences of LGA procurement professionals defined ▪ Adequate resources to run the PPRA zonal offices & dissemination centres

LOGICAL FRAMEWORK MATRIX (PROPOSED FEBRUARY 2013)			
ENHANCEMENT OF PROCUREMENT CAPACITY OF LOCAL GOVERNMENT AUTHORITIES PROJECT (EPC-LGAP)			
Intervention Logic	Performance Indicators ⁴	Means of Verification	Assumptions
<p>Result 5: Action research on LGA procurement practices, incentives and organizational structures conducted</p> <p>Key Activities:</p> <p>1.1 Conducting action research (gender sensitive) on LGA procurement practices, incentives and organizational structures to inform program design, dialogue and recommendations on policy reform</p> <p>1.2 Providing follow-up to Action Research</p> <p>1.3 Assessing methodology, results and impact</p>	<ul style="list-style-type: none"> ▪ Action research findings and recommendations reflected in project design and reviews ▪ LGA procurement capacity building strategy formulated ▪ Policy recommendations based on (gender sensitive) action research prepared, targeted and communicated ▪ LGA procurement capacity data base established and maintained 	<ul style="list-style-type: none"> ▪ Action Research reports ▪ Project reports ▪ Mid-Term Review report 	<ul style="list-style-type: none"> ▪ Strategic decision-makers are committed to implement action research recommendations ▪ Stakeholders disclose openly weaknesses and opportunities in the LGA procurement system and process
<p>Efficient and effective project cycle management</p>	<ul style="list-style-type: none"> ▪ PIU established, adequately staffed and equipped over project period ▪ PIU members meet regularly in formal meeting ▪ Project Implementation Manual prepared and adhered to over project period ▪ Project reports prepared ▪ Project execution (physical and financial) as planned ▪ JLPC established and functional over project period ▪ Project activities adequately prepared, sourced and implemented and accounted for ▪ Implementation Agreements with implementing institutions prepared and in place over project period ▪ Project reviews, evaluations and audits executed as scheduled 	<ul style="list-style-type: none"> ▪ Project Reports ▪ Project Manuals ▪ Back-to-Office reports 	<ul style="list-style-type: none"> ▪ Pre-conditions in place

5.3 MoRe Results at a Glance

102. The below table presents the status of the main Project Cycle Management measures

Logical framework's results or indicators modified in last 12 months?	Yes, as part of start-up and inception, needs to approved by JLPC
Baseline Report registered on PIT?	Final Report completed, not yet registered
Planning MTR	2014-Q4
Planning ETR	2016-Q4
Backstopping missions since 01/01/2012	August 2012: BTC HR October 2012: Court of Auditors December 2012: OPS as part of BLS

5.4 Implementation Schedule - Responsibilities

Operational Planning EPC-LGAP: 2012-2016

S/n	Result / Key Activities	2012				2013				2014				2015				2016				Lead Driver	Contributors				Other Actors
		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4		PPRA	PMO-RALG	HLGTI	RAS LGAMS	
R.1	LGA Procurement Performance Strengthened																										
A.1.1	Review, update and introduction of LLG procurement guidelines																					PPRA		√			PPPD
A.1.2	Development of LGA procurement skills-development plans																					PPRA		√		√	PO-PSM PPPD
A.1.3	Capacitation of PMUs in critical procurement areas																					PMO-RALG	√				PO-PSM
A.1.4	Development and refinement of LGA procurement guides and toolkits																					PPRA		√			PPPD
A.1.5	Development and refinement of LGA procurement manuals																					HLGTI	√	√			PSPTB QTPs
A.1.6	Dissemination updated procurement guides and manuals to LGAs - RAS/LGAMS																					PMO-RALG	√		√	√	QTPs, Certified Trainers
A.1.7	Establishment of procurement Training Teams (ToT/ToC) for procurement training and coaching at HLG and LLG levels																					PMO-RALG	√		√	√	QTPs, Certified Trainers
A.1.8	Support to LGA procurement training in identified areas																					PMO-RALG	√		√		QTPs, Certified Trainers
A.1.9	Development of professional courses on procurement at higher skill levels																					PPRA		√	√		PPPD, PSPTB QTPs, NACTE, TCU
R.2	Systems for Monitoring LGA Procurement Performance Strengthened																										
A.2.1	Harmonizing systems and indicators for monitoring and quality assurance of LGA procurement compliance and performance																					PPRA		√		√	CAG, IAG, DIA
A.2.2	Strengthening capacity of Regional Secretariat to provide oversight, monitoring, coaching and follow-																					PMO-RALG	√			√	IAG, CAG

S/n	Result / Key Activities	2012				2013				2014				2015				2016				Lead Driver	Contributors				Other Actors
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		PPRA	PMO-RALG	HLGTI	RAS LGAMS	
	up support to LGAs on procurement																										
A.2.3	Support for customization and interfacing of Procurement MIS																				PPRA PMO-RALG					MoF	
A.2.4	Increasing capacity of District Internal Auditors in procurement audits and quality assurance																				PPRA		√		√	IAG, DIA	
R.3	Community Members Better Informed & Able to Monitor LGA Procurement Performance																										
A.3.1	Providing guidance and materials to CSOs to increasing skills in tracking, analysing and reporting on LGA procurement																				PPRA					CSOs, PSOs, PCCB ALAT	
A.3.2	Providing guidance and materials to media (radio, TV, local newspapers etc) to increasing skills in tracking, analysing and reporting on LGA procurement																				PPRA					Media	
A.3.3	PPRA engages with Local Authorities Accounts Committee to increase skills in LGA procurement issues, compliance and follow-up																				PPRA					LAAC, ALAT	
R.4	Capacity to Provide Long-Term Support to Improved LGA Procurement Performance Strengthened																										
A.4.1	Formulation and monitoring of LGA Procurement Capacity Building Strategy																				PPRA, PMO-RALG			√	√	JLPC Stakeholders	
A.4.2	Strengthening PPRA outreach capacity to LGAs																				PPRA				√	MoF PO-PSM	
A.4.3	Increasing appropriateness and coverage of LGA procurement audits by PPRA, DIA and CAG																				PPRA				√	IAG, DIA, CAG	
A.4.4	Provision of Technical Assistance																				BTC	√					
A.4.5	Strengthening quality assurance and coordination of LGA procurement training																				HLGTI	√	√		√	QTPs	
A.4.6	Engaging all stakeholders in dialogue on how to improve LGA procurement performance																				PPRA		√	√	√	JLPC, Stakeholders	

S/n	Result / Key Activities	2012				2013				2014				2015				2016				Lead Driver	Contributors				Other Actors	
		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4		PPRA	PMO-RALG	HLGTI	RAS LGAMS		
R.5	Action Research on LGA Procurement Practices Conducted to Inform Programme Design, Policy Dialogue and Reform																											
A.5.1	Conduct action research on LGA procurement practices, incentives and organisational structures																					PIU	√	√				PPPD JLPC
A.5.2	Provide follow-up to action research																					JLPC	√	√	√	√		
A.5.3	Assess action research methodology, results and impact																					PIU	√	√	√	√		JLPC
	Efficient and Effective Project Cycle Management																											
A.6.1	Set-up of the Project Implementation Unit																					PIU	√	√				
A.6.2	Organisation Assessments and Implementation Agreements																					BTC	√	√	√			JLPC
A.6.3	Project Implementation Manual																					ISE + FC	√	√	√			JLPC
A.6.4	Project Baseline																					PIU	√	√	√			JLPC
A.6.5	Project Steering Structure (JLPC)																					PPRA	√	√				BTC Members
A.6.6	Implementation Agreements																					PIU	√	√	√			BTC JLPC
A.6.7	Project Reviews and Planning																					PIU	√	√				JLPC
A.6.8	Project Reports																					PIU	√	√	√			JLPC
A.6.9	Mid-Term Review																					BTC	√	√				JLPC
A.6.10	Final Evaluation																					BTC	√	√				JLPC
A.6.11	Audits																					BTC CAG	√	√	√			

5.5 Project Budget

PROJECT: ENHANCEMENT OF PROCUREMENT CAPACITY OF LOCAL GOVERNMENT AUTHORITIES (EPC-LGAP)
NAVISION CODE: TAN 11 026 11
FINANCIAL PLANNING: 2012-2016 (Revised)

RESULTS/ KEY ACTIVITIES	AMOUNT	%	Unit	Qnt	U/Cost
R1: LGA PROCUREMENT PERFORMANCE STRENGTHENED	1,185,200	24%			
A1.1 Review, update and introduction of LLG procurement guidelines	20,000	0.4%	guide	1	20,000
A1.2 Development of LGA procurement skills-development plans	88,200	2%	district	21	4,500
A1.3 PMUs capacitated in critical procurement areas	42,000	1%	district	21	2,000
A1.4 Development and refinement of LGA procurement guides	45,000	1%	guide	3	15,000
A1.5 Development and refinement of LGA procurement manuals (HLG, LLG)	60,000	1%	manual	2	30,000
A1.6 Dissemination of updated procurement guides and manuals to LGAs and Regional Secretariats	60,000	1%	manual	2	30,000
A1.7 Establishment of procurement Training Teams (ToT/ToC) for procurement training and coaching at HLG and LLG levels	105,000	2%	district	21	5,000
A1.8 Support to LGA procurement training in identified areas (selected HLGs, LLGs)	735,000	15%	LGA	21	37,000
A1.9 Development of professional procurement course at higher skills level	30,000	1%	course	1	30,000
R2 SYSTEMS FOR MONITORING LGA PROCUREMENT STRENGTHENED	400,000	8%			
A2.1 Harmonizing systems and indicators for monitoring LGA procurement compliance and performance	50,000	1%	l/sum	1	50,000
A2.2 Strengthening RAS/LGAMS capacity for oversight, monitoring, coaching and follow-up support to LGAs on procurement	240,000	5%	region	4	60,000
A2.3 Support for customization and interfacing of Procurement MIS	60,000	1%	l/sum	1	60,000
A2.4 Support for training of RAS and District Internal Auditors in procurement audits and quality assurance	50,000	1%	district	21	2,000

RESULTS/ KEY ACTIVITIES	AMOUNT	%	Unit	Qnt	U/Cost
R3: COMMUNITY MEMBERS BETTER INFORMED & ABLE TO MONITOR LOCAL GOVERNMENT PROCUREMENT PERFORMANCE	519,000	10%			
A3.1 Providing guidance and materials to CSOs to increase skills in tracking, analysing and reporting on LGA procurement	80,000	2%	region	4	20,000
A3.2 Providing guidance and materials to media to increase skills in tracking, analysing and reporting on LGA procurement	400,000	8%	year	2	200,000
A3.3 PPRA engages with LAAC to increase skills in LGA procurement issues, compliance and follow-up	39,000	1%	year	3	13,000
R4: CAPACITY TO PROVIDE LONG TERM SUPPORT TO IMPROVED LGA PROCUREMENT PERFORMANCE STRENGTHENED	1,210,000	24%			
A4.1 Formulation and monitoring of LGA Procurement capacity Building Strategy.	30,000	0.6%	w/shop	1	30,000
A4.2 Strengthening PPRA outreach capacity to LGAs	100,000	2%	centres	2	50,000
A4.3 Increasing appropriateness and coverage of LGA procurement audits by PPRA, DIA and CAG	100,000	2%	audit	20	5,000
A4.4 Provision of Technical Assistance	900,000	18%	year	5	180,000
A4.5 Strengthening quality assurance and coordination of LGA procurement training	80,000	2%	year	4	20,000
A4.6 Engaging all stakeholders in dialogue on how to improve LGA procurement performance.	30,000	1%	year	4	7,500
R5: ACTION RESEARCH ON LGA PROCUREMENT PRACTICES, INCENTIVES AND ORGANIZATIONAL STRUCTURES	303,200	6%			
A5.1 Conducting action research and recommendations on policy reform.	180,000	4%	study	9	20,000
A5.2 Providing follow-up to Action Research	51,200	1%	year	4	12,700
A5.3 Assessing methodology, results and impact.	72,000	1%	study	3	24,000
EFFICIENT AND EFFECTIVE PROJECT CYCLE MANAGEMENT (GENERAL MEANS)	916,080	18%			
BUDGET RESERVE	466,520	9%			
TOTAL BELGIUM CONTRIBUTION	5,000,000	100.0%			
GOVERNMENT OF TANZANIA CONTRIBUTION	264,000	5.3%			

RESULTS	MAIN DELIVERABLES
R1: LGA PROCUREMENT PERFORMANCE STRENGTHENED	
A1.1 Review, update and introduction of LLG procurement guidelines	LLLG Procurement Guidelines
A1.2 Development of LGA procurement skills-development plans	LGA procurement skills development plans (21)
A1.3 PMUs capacitated in critical procurement areas	Equipment PMU in 21 districts based on needs
A1.4 Development and refinement of LGA procurement guides	Procurement guides in English/Swahili for 1) LGA own-source revenue collection services 2) LLG procurement and 3) HLG procurement
A1.5 Development and refinement of LGA procurement manuals (HLG, LLG)	Procurement case studies; Modular Procurement and contract management training manuals (Participant and Trainers Handbooks) for 1) HLGs and 2) LLGs
A1.6 Dissemination of updated procurement guides and manuals to LGAs and Regional Secretariats	Dissemination events; availability on relevant websites (PPRA, PMO-RALG, Hombolo LGTI)
A1.7 Establishment of procurement Training Teams (ToT/ToC) for procurement training and coaching at HLG and LLG levels	Training Teams (21); trainings (21 districts)
A1.8 Support to LGA procurement training in identified areas (selected HLGs, LLGs)	Trainings (21 districts)
A1.9 Development of professional procurement course at higher skills level	Tbd
R2 SYSTEMS FOR MONITORING LGA PROCUREMENT STRENGTHENED	
A2.1 Harmonizing systems and indicators for monitoring LGA procurement compliance and performance	Harmonized procurement M&E guides
A2.2 Strengthening RAS/LGAMS capacity for oversight, monitoring, coaching and follow-up support to LGAs on procurement	Coaching, monitoring and oversight approach
A2.3 Support for customization and interfacing of Procurement MIS	Interfaced PMIS used; PMUs trained in Epicor use
A2.4 Support for training of RAS and District Internal Auditors in procurement audits and quality assurance	DIA trainings
R3: COMMUNITY MEMBERS BETTER INFORMED & ABLE TO MONITOR LOCAL GOVERNMENT PROCUREMENT PERFORMANCE	
A3.1 Providing guidance and materials to CSOs to increase skills in tracking, analysing and reporting on LGA procurement	CSO LGA procurement monitoring guide; training events; reports
A3.2 Providing guidance and materials to media to increase skills in tracking, analysing and reporting on LGA procurement	Media LGA procurement monitoring guide; training events; programmes
A3.3 PPRA engages with LAAC to increase skills in LGA procurement issues, compliance and follow-up	LAAC – PPRA retreats (3)
R4: CAPACITY TO PROVIDE LONG TERM SUPPORT TO IMPROVED LGA PROCUREMENT PERFORMANCE STRENGTHENED	
A4.1 Formulation and monitoring of LGA Procurement Capacity Building Strategy.	Capacity Building Strategy
A4.2 Strengthening PPRA outreach capacity to LGAs	Renovation zonal offices (2)
A4.3 Increasing appropriateness and coverage of LGA procurement audits by PPRA, DIA and CAG	Procurement Audits (20)
A4.4 Provision of Technical Assistance	Mission reports; study reports; project learning events; project reports
A4.5 Strengthening quality assurance and coordination of LGA procurement training	Mission reports
A4.6 Engaging all stakeholders in dialogue on how to improve LGA procurement performance.	Dialogue session reports and proceeding
R5: ACTION RESEARCH ON LGA PROCUREMENT PRACTICES, INCENTIVES AND ORGANIZATIONAL STRUCTURES	
A5.1 Conducting action research and recommendations on policy reform.	Studies
A5.2 Providing follow-up to Action Research	Recommendations
A5.3 Assessing methodology, results and impact.	Studies

5.6 “Budget versus Current (y – m)” Report

103. This section presents the “Budget versus current (y – m)” Report based on the financial planning as per initial Log Frame.

Fin plan Version: 2012Q4					
End date last closing: 31/12/2012					
Currency: EUR					
Amounts in 1000 EUR					
	Finance Mode	Forecast 2012 (version 2012 Q4)	Actual Expenses YtM	Planning vs Actuals	Est %exec
A Procurement capacities at local government level is sustainably enhanced		144.88	97.65	47.23	67%
01 PPRA capacity to provide long term support to improved LGA		114.79	97.65	17.14	85%
01 Development & refinement of manuals & guidelines	COGEST	0.00	0.00	0.00	0%
02 Dissemination procurement manuals & guidelines	COGEST	10.00	0.00	10.00	0%
03 Development of professional courses	COGEST	0.00	0.00	0.00	0%
04 Training of TOTs at district (HLG) level	COGEST	0.00	0.00	0.00	0%
05 Technical Assistance	REGIE	104.79	97.65	7.14	93%
02 Strengthened systems for monitoring LGA procurement		0.00	0.00	0.00	0%
01 Harmonising systems & indicators for monitoring compliance at LGA level	COGEST	0.00	0.00	0.00	0%
02 PMO-RALG strengthen RS	COGEST	0.00	0.00	0.00	0%
03 Civil society and media oversight of LGA procurement is supported		0.00	0.00	0.00	0%
01 PPRA provides guidance and materials to CSO	COGEST	0.00	0.00	0.00	0%
02 PPRA provides guidance and materials to media	COGEST	0.00	0.00	0.00	0%
03 PPRA engages with the Parliament LAAC	COGEST	0.00	0.00	0.00	0%
04 Action research, incentives and organisational structure		30.09	0.16	29.93	1%
01 Action research on LGA procurement practices, incentives, etc	COGEST	30.00	0.00	0.00	0%
02 Follow up to action reasearch	COGEST	0.09	0.16	0.00	175%
03 Assessment of methodology, results and impact.	COGEST	0.00	0.00	0.00	0%
X Budgetary reserve		0.00	0.00	0.00	0%
Z General means		168.64	177.25	-8.61	105%
01 Staff expenses		29.57	29.20	0.37	99%
02 Investments		87.75	90.09	-2.34	103%
03 Operational expenses		48.32	56.88	-8.56	118%
04 Audit and Monitoring and Evaluation		3.00	0.72	2.28	24%
99 Conversion rate adjustment			0.36		
	REGIE	273.43	274.90	-1.47	101%
	COGEST	40.09	0.16	39.93	0%
	TOTAL	313.52	275.06	38.46	88%

5.7 Resources

104. See Execution Reports. The project has not yet produced materials that are for direct use by beneficiaries.

5.8 Decisions Taken by the JLPC and Follow-up

105. Below the important strategic decisions taken by the JLPC and the follow-up of those decisions is presented.

Decision					Action			Follow-up	
Decision	Period of identification	Timing	Source	Actor	Action(s)	Resp.	Deadline	Progress	Status
Include PO-PSM as member of JLPC	June 2012	July 2012	PMO-RALG	JLPC	Invitation	CEO PPRA	-	No formal response	Follow-up needed
Include PPPD as member of JLPC	Sep-Nov 2012	January 2013	Stakeholders	JLPC	Invitation	CEO PPRA	-	No formal response	Follow-up needed
Implementing Institutions to respond to strategic analysis of Organisation Assessment Report and recommendations	January 2013	January 2013	Chair JLPC	PIU	Letter and follow-up visit	PC	End of February 2103	PMO-RALG and PPRA responded	Follow-up to HLGTI needed