



PMO-RALG

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

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# **ANNUAL REPORT N° 2**

## **RESULTS REPORT 2013**

**PROJECT TAN 11 026 11**

Dar es Salaam

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## ACRONYMS

ADB	African Development Bank
ALAT	Association of Local Authorities Tanzania
APP	Annual Procurement Plan
AR	Action Research
BLS	Base Line Study
BTC	Belgian Technical Cooperation
CAG	Controller and Auditor General
CB	Capacity Building
CBFW	Capacity Building Formulation Workshop
CBG	Capacity Building Grant
CBP	Capacity Building Plan
CDG	Capital Development Grant
CDR	Council Development Report
CEO	Chief Executive Officer
CFR	Council Financial Report
CPI	Compliance & Performance Indicator
CSO	Civil Society Organisation
D by D	Decentralisation by Devolution
DC	District Council
DED	District Executive Director
DIA	District Internal Auditor
DP	Development Partner
EPC-LGAP	Enhancement of Procurement Capacity of Local Government Authorities Project
EPICOR	Accountancy software used for Integrated Financial Management System
FC	Financial Controller
FMIS	Financial Management Information System
FWC	Framework Contract
FY	Financial Year
GoT	Government of Tanzania
GPSA	Government Procurement and Supplies Agency
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
ISE	International Sector Expert
IT	Information Technology
JICA	Japan International Cooperation Agency
JLPC	Joint Local Partners Committee
KPI	Key Performance Indicator
LAAC	Local Authorities Accounts Committee
LF	Logical Framework
LFM	Logical Framework Matrix
LG	Local Government
LGA	Local Government Authority / Local Government Act
LGAMSS	Local Government Authority Management Support Section
LGDG	Local Government Development Grant
LGFA	Local Government Finance Act
LGFM	Local Government Financial Memorandum
LGRP	Local Government Reform Programme
LGTI	Local Government Training Institute Hombolo
LLG	Lower Local Government
LLGA	Lower Local Government Authority
LPO	Local Purchase Order
LTI	Lead Training Institute
MDA	Ministries, Departments and Agencies
M&E	Monitoring and Evaluation

MIS	Management Information System
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
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 / Procuring Entity
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
PPR	Public Procurement Regulations
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
SBS	Sector Budget Support
SO	Specific Objective
SULGO	Support to Local Governance Project
TA	Technical Assistance
TE	Training Entity
TFF	Technical and Financial File
TNA	Training Needs Assessment
ToR	Terms of Reference
ToC	Training of Coaches
ToT	Training of Trainers
USAID	United States Agency for International Development
VC	Village Council

# 1 INTERVENTION AT A GLANCE

## 1.1 Intervention 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 <sup>1</sup>	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)  (As per Revised Logical Framework, August 2013)	Capacity to provide long-term support to improved 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
	Action research on LGA procurement practices, incentives and organizational structures conducted to inform program design, dialogue and recommendations on policy reform
	LGA procurement performance strengthened

<sup>1</sup> Impact is a synonym for global objective, Outcome is a synonym for specific objective, output is a synonym for result

## 1.2 Budget execution

	Budget	Expenditure		Balance	Disbursement rate at the end of 2013
		Previous years	Year covered by report (2013)		
<b>Total</b>	5,000,000	279,883	378,712	4,341,406	13%
<b>Output 1</b>	1,602,000	101,500	221,089	1,279,411	20%
<b>Output 2</b>	375,000	0	0	375,000	0%
<b>Output 3</b>	469,000	0	902	468,097	0%
<b>Output 4</b>	302,305	158	18,126	284,021	6%
<b>Output 5</b>	866,000	0	0	866,000	0
<b>G/Means</b>	919,080	178,225	138,594	602,261	34%

## 1.3 Self-assessment performance

### 1.3.1 Relevance

	Performance
Relevance	A

- The project objectives are embedded in national policies (Decentralisation-by-Devolution; draft Public Procurement Policy; LGA Training Strategy, etc) and legislation (Public Procurement Act; Public Finances Act; Local Government Act; subsidiary legislation, etc) with the aim to strengthen capacities for improve budget execution in the Local Government Authorities (LGA), in particular procurement and contract management; LGAs are responsible for around 25% of the national budget execution of which  $\pm$  50% is spent in procurement for local service delivery i.e. relevant to local communities;
- The Project builds capacity in procurement and contract management of 30 LGAs in four regions (Coast, Dodoma, Kigoma and Tanga); Local government and governance is a cross-cutting theme in the Belgian development strategy in Tanzania and the Project operates in several LGAs, which are supported by the Belgian development co-operation;
- Considerable awareness has been raised to key stakeholders on issues and challenges in LGA procurement and contract management setting the stage for achieving the project objectives by involving key stakeholders Public Procurement Regulatory Authority (PPRA), Prime Minister's Office Regional Administration and Local Governments (PMO-RALG), Local Government Training Institute (LGTI) Hombolo, regions and LGAs- in all stages of preparation and implementation;
- The project intervention logic has been revised following the Base Line Study and the LGA Procurement Capacity Building Formulation Workshop (CBFW); interventions are better structured with a clear M&E Framework and capacity building approach redefined to a mix of demand- and supply-driven skills enhancements interventions; the interventions are realistic, risks and assumptions are clearly identified;
- Lower Local Government Authorities (LLGAs) receive considerable transfers under the Local Government Development Grant (LGDG) system and the Project has been able to increase awareness on relevance, importance and challenges in procurement in LLGAs; the need to set up simple, standard and harmonized procurement systems; and build capacities at sub Council level; this is integrated in the interventions;
- The Project provides supportive capacity building to the LGDG system supported by BTC up to FY 2013/14; foreseen Belgian contribution to Sector Budget Support (SBS) to the water; supports



- the domestic revenue collection policy i.e. enhanced procurement of outsourced own-source revenue collection in LGAs; and mitigating measures to budget execution at sub-national level;
- Not all assumptions are (yet) in place: 1) Government of Tanzania (GoT) brought forward the budget approval cycle by around one quarter in order to approve the Finance Bill before the start of the new Financial Year; this increased budget credibility, but there are still challenges related to reliable and credible Central Government (CG) transfers to LGAs, which would enhance procurement efficiency and effectiveness in the Procuring Entities (PE) including LGAs; 2) attracting and retaining qualified and competent staff in LGAs remains a challenge; the 2013 experience shows that poor performance of LGA staff is often resolved by transfers (short-term solution) and there is still high turn-over of procurement staff in LGAs;
  - Other assumptions are being established: 1) PPRA started recruitment of additional 50 staff of whom a considerable number will be posted in the five PPRA zonal offices of which two are supported by the Project; this shows commitment of government to strengthen procurement oversight and increased outreach capacity of the PPRA to LGAs to address better the low LGA procurement performance; 2) The Public Procurement Regulations (PPR) were gazetted in December 2013 making PPA 2011 operational; disseminated is scheduled for 2014; this give the opportunity to integrate PPA 2011 and PPR 2013 fully in the LGA procurement operational manuals and training manuals developed with Project support;
  - PPR 2013 include several provisions to strengthen internal monitoring and controls by the District Internal Auditor (DIA) and external monitoring (by PPRA); this requires strengthening of procurement audit skills of the DIAs as well as better procurement reporting and record keeping combined with close follow-up by PPRA; this has been factored in the revised project logic and interventions are either ongoing or planned to commence in 2014;
  - PPR 2013 covers more than 300 pages and 380 regulations, excluding the regulations made under the Local Government Finance Act (LGFA) for the establishment and functioning of Tender Boards in LGAs; this makes the project intervention relevant to prepare operational procurement manuals and simplified procurement guides for the LGAs on the application of the procurement law; and
  - PPR 2013 provide opportunity to strengthen coordination of monitoring and follow-up by central oversight bodies and collaboration between PPRA, PMO-RALG and the RAS office; project experience in 2013 shows the benefits and value added of working closely with the intermediate level, in particular the Local Government Authorities Management Support Section (LGAMSS) notwithstanding capacity gaps and some administrative challenges at this level; this will be furthered during the project life-time and close collaboration between the PPRA zonal offices and regional office is expected to yield durable results.

### 1.3.2 Effectiveness

	<b>Performance</b>
<b>Effectiveness</b>	B

- Project stakeholders from central level, regions, LGAs and civil society participated in the Local Government Procurement Capacity Building Formulation workshop, the first of its kind in Tanzania, filling an important gap in the procurement support system; the workshop also contributed to building consensus and ownership on project objectives, interventions and modalities;
- This was followed by in-depth consultations with the LGAs and preparations for project interventions in 2014; Project stakeholders (LGAs and regions) are fully involved in the design of the interventions to strengthen procurement skills at LGA level in particular action research, procurement skills gap and training needs analysis, formulation of procurement skills development plans, Terms of reference of Council Procurement Training Teams, tools for capacity needs assessment, etc; the Project works closely with the LGA Management Support

- Section in the office of the RAS;
- Eight LGAs in the project area have been audited for FY 2012/13 in procurement compliance, performance and Value for Money of selected construction projects; this makes the LGA procurement audits and records almost up-to-date in the four project regions; the audit results provide essential inputs to other ongoing project interventions (skills development plans; re-tooling of PMUs; action research and improvement plans; regional follow-up system to LGA procurement; etc); LGAs with a very poor performance are already required to prepare a special follow-up action plan, which is monitored by PPRA;
  - Procurement action research (scheduled for three years) informs project design and provides a change management and learning approach and methodology for the LGAs; this is foreseen for two LGA in each of the four pilot regions, and started in six LGAs in three regions (Coast, Dodoma and Tanga); the developed procurement capability assessment tool was tested and informs in particular the design and development of the procurement manuals and guidelines at sub-council level; the developed PMU capacity needs questionnaire was well received and provides a good instrument for the participatory formulation of the procurement skills development plans in all LGAs;
  - The Project works closely with the regions and this has proven to add value to achieving the objectives of the interventions notwithstanding differences in capacities between the regions depending on staff resources, commitment from the Assistant Administrative Secretary (AAS), number of LGAs in the region, travel distance, other ongoing work duties, etc; project implementation with PMO-RALG and the regions will be formalised prior to the start of FY 2014/15; and
  - The setting-up of five PPRA zonal offices is progressing (partly supported by the Project) and this will enhance the outreach capacity of the Authority.

### 1.3.3 Efficiency

	<b>Performance</b>
<b>Efficiency</b>	B

- Project implementation is around one-quarter behind the overall implementation schedule and financial execution at the end of 2013 stands at 66% and at 85% including balances on signed commitments. The start-up and inception phase was completed in March 2013 and went according to plan including setting-up and staffing of the PIU, project management systems, operational JLPC, organisation assessments, Base Line Study, set-up and functional PIU, establishment of procurement capacity database, preparation and submission of accountability reports (financial; execution; annual-inception), missions, BTC audit, etc;
- Following the inception phase and the LG Procurement Capacity Building Formulation workshop, the Logical Framework and Budget were modified and approved by the JLPC;
- Several key activities were implemented according to plan including LGA procurement audits, capacity building formulation workshop, district orientations and consultations, action research FY 2013/14, and preparations for LGA procurement skills development plan;
- Indefinite delivery contracts in three Lots were awarded to individual consultants, which increased efficiency for short-term technical assignments;
- Some other studies and works contracts faced delays, and project management took measures to ensure quicker processing of tenders, approvals and contract award; this was partly related to availability of staff in the Authority;
- Finalising Protocol and Execution Agreements took more time than expected, but signing is ongoing and expected to be completed by January/February 2014; the agreement with PMO-RALG needs to be signed before the start of the FY 2014/15, also in view of the increased level of field activities which requires full participation of PMO-RALG and RAS office;
- Some activities faced delays because of institutional issues (signing of contracts with TBA;

- agreement with GPSA) or depended on finalising technical studies by external parties i.e. LGA own-source revenue evaluation study, which constituted an important input in the Terms of Reference of procurement manual for outsourced LGA revenue collection
- Several mitigating measures have been identified and are closely followed-up by the PIU; this should ensure a stable budget execution of around € 1.0 million per year in the years to come; and
  - PPR 2013 strengthen the legal oversight by mandatory vetting by the Attorney General of all contracts above Tsh 50.0 million; however, the time clause of 21 working days is long and combined with the low ceiling this will likely add time and increase tender transaction costs; it is advisable to increase this threshold in consultation with the ministry concerned;



#### 1.3.4 Potential sustainability

	<b>Performance</b>
<b>Potential sustainability</b>	B

- The capacity building and development approach of supply-side and demand-driven interventions provides the main building block of ownership and sustainability of the Project;
- The Project contributes to intra-government coordination (PPPD, PPRA, IAG, CAG and PMO-RALG), which is paramount for achieving and sustaining project results;
- There is interest for the approach of the project from government agencies and other development partners;
- Professionalization of procurement is well covered in the PPA 2011, the professional Board (PSPTB) is in place, and GoT is willing to increasingly address this in the LGAs (PMU sub-vote, PMU budgets, etc);
- The Project strengthens capacity at regional level, and supports set-up of PPRA zonal offices as part of GoTs policy to strengthen oversight in the LGAs;
- The establishment of PMUs, Scheme of Service, staff qualifications and actual staffing requires continued dialogue and follow-up in view of increasing procurement volumes and complexity of procurement operations; several LGAs are expanding the PMUs on their own initiative by including staff with background in engineering, law, etc; with the operationalization of PPA 2011 the PPDA has been assigned responsibilities of management of procurement cadre in the Procuring Entities (PE) which needs adequate intra-sector collaboration (PMO-RALG; PO-PSM; PPPD);
- Increased coordination with Public Finance Management Reform Programme (PFMRP) and other interventions in social accountability of LGA procurement (USAID) will strengthen the project outcomes; and
- The political process (elections for LGAs in 2014; general elections in 2015) might change the focus of project stakeholders.

#### 1.4 Conclusions

- The Project is in the execution phase, and preparations at all levels are progressing well for full implementation in three consecutive financial years;
- The mixed supply-side and demand-driven approach to procurement monitoring, oversight, skills-enhancement and capacity building is expected to contribute to achieving the project objective;
- There is willingness and commitment of stakeholders to achieving the project objectives and capacity for project execution by implementing partners and beneficiaries; and
- Project management is closely following identified mitigating measures to guarantee efficiency in project execution in particular related to procurement efficiency, resource availability, institutional issues, and signing of protocol and execution agreements.

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

## 2 ANALYSIS OF THE INTERVENTION

### 2.1 Evolution of the context

#### 2.1.1 General context

The Public Procurement Act (PPA) 2011 was operationalised with the gazetting of the subsidiary legislation, the Public Procurement Regulations (PPR) 2013 strengthening 1) the procurement legal framework; 2) regulatory provisions at LGA level with more involvement of Finance and Planning Committee; 3) professionalization of PMUs; 4) enhanced internal and external monitoring of public procurement; 5) stronger collaboration between PPRA and Internal Auditors; 6) as well as regulations for public private partnerships, e-procurement, procurement of sector specific goods (ICT; medicines and medical supplies; vehicles, equipment, etc). The Public Procurement Policy however has not yet been finalised.

The Government budget approval cycle has been brought forward by one quarter starting FY 2013/14. This increased budget credibility and improved reliability of government transfers. The procurement criteria for national assessments of LGAs have been sharpened, but there are still major gaps and discrepancies in procurement monitoring by PPRA and PMO-RALG. This provides mixed and conflicting messages to the LGAs on procurement performance. Further harmonization is needed as well as building capacity of the District Internal Auditors in procurement audit skills. The PPRA has received approval to recruit additional staff including for the five proposed zonal offices. This will increase the outreach capacity of the Authority to PEs in particular LGAs and provides an opportunity to strengthen collaboration between the PPRA and PMO-RALG at sub-national level. Government launched its Big Results Now agenda to steer national development in six key sectors, with focus on economic infrastructure, energy, education, rural water and agriculture investments. This requires a robust, efficient and effective procurement framework including public-private partnerships.

#### 2.1.2 Institutional context

The establishment of new regions and LGAs poses challenges to LGA staffing and administration. The number of beneficiary LGAs in the four project regions increased from 21 to 30. The LGTI Hombolo however still receives inadequate funding to take up its role in coordination and quality assurance of LGA training. On the positive side, the list of Qualified Training Providers has been updated and as indicated above, PPRA received the go-ahead for its strategic plan to establish five zonal offices. The institutional embedment of the Project is sound, and more interactions with the PPPD (in MoF) and PO-PSM are foreseen on policy and strategic issues, in particular professionalization and staffing of PMUs. Strategic steering through the JLPC and joint project execution provide a good platform for enhanced institutional collaboration between the PPRA, PMO-RALG and other institutions and bodies. The Internal Auditor General for Local Governments is represented in the JLPC. This provides opportunities for enhanced collaboration to increase procurement audit skills of DIAs.

#### 2.1.3 Management context: execution modalities

The year 2013 was the first operational year of the project and provides learning points for project execution. BTC and PPRA are now more aware of the processes, systems and structures for project implementation in the GoT administrative setting vis-à-vis project execution modalities and BTC requirements. Efficiency in own-management activities and 'delegated' activities to the PPRA (i.e. procurement audits) was satisfactorily whereas other co-management operations generally progressed with some hick-up's, related to preparations of outsourced activities, procurement

processes and staff availability. The Project Co-ordinator has been acting CEO of the PPRA since July 2013. Efficiency in procurement has been improved, and it is expected that the protocol agreement and (annual) execution agreements (at signing stage) will further enhance efficiency in execution.

Partial to the PPA 2011 and Public Procurement Regulation No 77, procurement of the PPRA above minor and micro value threshold value shall be contracted out to GPSA. This requires due attention of project management in case project partners agree and/or decide that the regulation will be fully applicable to co-managed procurement.

#### 2.1.4 Harmo context

With the operationalization of the PPA 2011 in December 2013, the project focus and set-up needs to reflect strong collaboration between PPRA, PPPD, PMO-RALG and professional bodies and institutions (including LGTI Hombolo, PSPTB and Training Entities), in particular related to LGA procurement cadre development, competencies and training needs

PPRA, PMO-RALG and LGTI Hombolo are receiving considerable support for LGA (procurement) capacity building from several donors including African Development Bank (ADB), Japan International Cooperation Agency (JICA) and PFMRP. The ADB project (centred at PPRA) is in the final implementation stage. The JICA project (at LGTI) to support coordination and quality assurance of LGA training ends in 2015. The PFMRP-IV continues to support budget execution improvement through Central Government oversight bodies. Several DPs have indicated to reduce funding to the LG sector or withdraw support all together. Others are considering re-entry in the form of support projects like the EPC-LGAP and there is renewed interest from DPs in budget execution at sub-national level. USAID started a project with PPRA to strengthen social accountability in public procurement. The basket fund to support the Local Government Development Grant ends in 2014/15 making GoT likely the sole provider of this important discretionary LGA development grant. The Local Government Reform Programme (LGRP-II) ended this year. The 10-year GIZ supported SULGO programme intervening in LGAs in two regions (Tanga and Mtwara) are in their last year of operations, of interest to the project is in particular the intervention to improve coaching of LGA staff by regions and LGA risk management.

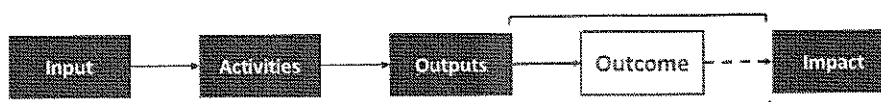
This all requires adequate communication and information sharing between all parties to avoid duplication and strengthening synergies of interventions. This relates for instance to support for PPRA zonal offices & dissemination centres, procurement audits, procurement MIS, LGA procurement trainings, training civil society and media campaigns, to mention a few.

The project will employ a pro-active approach in dialogue and consultations. Stakeholders and participants of the CBDW agreed that coordination is required in 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 system (PlanRep), Financial Management system (Epicor) and reporting system (CFR/CDR).

Fieldwork indicated the multitude of grants, sector support and projects at community levels all with their own guidelines and procurement provisions. Willingness by financiers, sector ministries and projects to standardisation and harmonisation of procurement guidelines is definitely required, including review and 'vetting' by the PPRA of procurement guidelines issued by sector ministries and projects in order to achieve the required internal and external quality assurance and adequate regulation of public procurement. The ending of Belgian support to sector dialogue in the LG sector and PFMRP will challenge the project to explore adequate avenues of coordination and consultation.

## 2.2 Performance outcome

This section describes progress made at performance outcome level by linking the outputs with the outcome as visualized below:



### 2.2.1 Progress of indicators

Outcome: Procurement capacity at local government level sustainably enhanced					
Indicators	Baseline value	Progress 2013	Target 2014	End Target	Comments Baseline = Dec 2012
KPI 1 Overall LGA CPI score increased	57% Poor	60%	72%	> 80% Good	2012/13 procurement audits; scope, depth of audits increased
KPI 2 Overall LGA CPI score in selected LGAs increased	49% Poor	56%	75%	> 80% Good	2012/13 procurement audits; scope, depth of audits increased
KPI 3 LGA VfM score Roads contracts improved	71% Fair	61% Fair	Fair- Good	>80% Good	2012/13 procurement audits; scope, depth of audits increased
KPI 4 LGA VfM score Building contracts Improved	68% Fair	69% Fair	Fair- Good	> 80% Good	2012/13 procurement audits; scope, depth of audits increased

Analysis of progress made towards outcome:	
<i>Relation between outputs and the Outcome. (How) Are outputs (still) contributing to the achievement of the outcome:</i>	Procurement monitoring changed and looks more in quality assurance and technical aspects besides compliance; many LGAs are in the first stage of procurement capacity manifested by the low indicator scores; this holds back the performance; improvements measures are largely within the LGAs reach to make corrections and align procurement better to operational management and apply best practices; the last step would be achieving strategic service delivery objectives; the project approach is designed to support this by a balanced mix of supply-side and demand –driven interventions
<i>Progress made towards the achievement of the outcome (on the basis of indicators):</i>	Progress so far is limited; PPRA changed the Compliance and Performance Indicators with more weight to quality assurance (both in compliance and VfM) i.e. putting the bar higher
<i>Issues that arose, influencing factors (positive or negative):</i>	The Public Procurement Regulations (PPR) 2013 were gazetted in December 2013; later than expected but on time to be incorporate PPA 2011 and PPR 2013 in project intervention. PPRA organised several events targeting the LGAs together with PMO-RALG and there is more awareness on procurement issues in LGAs; GoT approved recruitment of PPRA staff to strengthen their outreach to LGAs and establishment of five zonal offices and dissemination centres
<i>Unexpected results:</i>	-

## 2.2.2 Analysis of progress made

Enhancement of the procurement capacity of LGAs is work in progress and no quick results can be expected. Based on the performance outcome indicators progress has been limited, especially in the project areas. However, there is no fall-back which would have been expected in view of the increased quality, depth and scope of (PPRA) procurement audits. There is definitely more awareness on the reasons for low procurement performance, which are partly outside direct control of the LGAs. Other improvement measures can be achieved by LGAs themselves assuming willingness and commitment to make changes in operational procurement and contract management. The Project supports these processes by a mix of supply-side and demand-driven interventions, which are expected to bear step-wise results in the years to come.

Many LGAs are still in the first stage of procurement capacity development manifested by the indicator scores. This holds back the performance and reduces their reputation for efficient, effective and economic service delivery. The Project promotes measures that are within the reach of the LGAs to make corrections and align procurement better to their operational management. The next stage would be alignment to achieving LGA strategic objectives as measured by good scores for compliance and performance as well as value-for-money leading to better service delivery. LGA procurement takes place in a complex internal and external environment covering more than 10 sectors and three levels of governance (District, Municipal, City and Town Councils; Village Councils and Mtaa Committees; wards as deconcentrated units). Building the capacity for procurement management, internal control and accountability of LGA procurement is addressed by the Project with interventions to strengthen coordinated external (procurement) oversight by PPRA, IAG and PMO-RALG.

At governance level there is need for strong leadership and commitment to include integrity in LGA procurement and address issues of conflict of interests in the procurement cycle. The credibility of the LGA budget remains a challenge to procurement in the LGAs.

At the strategic level Government has recognised the procurement function in the LGA organisational set-up and organisation by the operationalization of PPA 2011. The Project support this through policy dialogue (PMU sub-vote in the LGA Chart of Accounts; setting establishment, skills and competence levels of the PMUs; providing PMU funding from own-source revenue together with Other Charges through the General Purpose Grant; facilitating training and continuous professional development of procurement staff; earmarking funds for procurement skills enhancement in the LGAs) and several targeted capacity building interventions.

At operational systems level there is need to interface the procurement MIS in the LGAs by linking the Annual Procurement Plan with the PlanRep system, procurement operations with the Epicor system (financial management) and the Council reporting system (CFR; CDR) and better, regular and comprehensive reporting by PMU to Council Management and Full Council.

At administrative level, staffing remains a challenge and there is need to give clear guidance on establishment of the PMUs reflecting volume and complexity of procurement operations. The practice of transfer of staff (underperforming; administrative cases) works in the short-term, but does not provide long-term solutions and works counter-productive to performance of the sub-sector. The staff turn-over in PMUs is still high and clear guidance is needed on management of procurement staff in the LGAs (appointment of heads of procurement management units; transfer of procurement and supplies staff; and managing the establishment of Procurement Management Units).



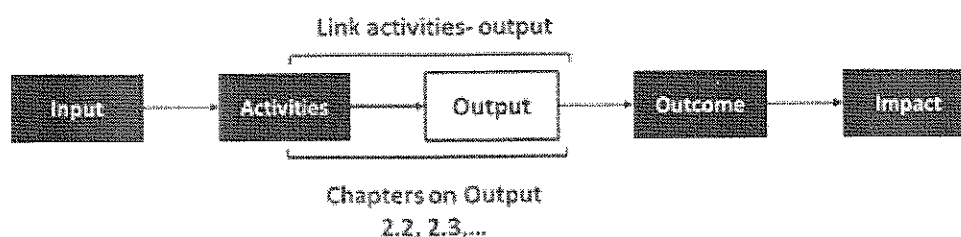
### 2.2.3 Potential Impact

The potential impact of the Project is high, but depends on several assumptions as indicated in the Logical Framework, to mention:

- *Government provides commensurate, reliable resources to LGAs to perform mandated functions as per D-by-D policy:* the LGA budget process is more reliable (budget approval brought forward by one quarter), but this has not yet translated in more timely transfers; secondly, key functions like procurement and quality assurance require commensurate resources (skilled staff; other);
- *LGAs continue to enhance their capacity and systems in procurement:* there is a positive response by the LGAs in the project area to make an effort to enhance their procurement systems; however many systems are supply driven; the Project tries to build capacity and procurement systems in a mixed approach combing supply and demand ;
- *Government remains committed to fight corruption, up-keeping the rule of law and citizen's right of access to information:* government efforts to fight corruption continue, but this is constrained by a highly dynamic political and economic process; the project advocates use of ICT to promote transparency and integrity in LGA procurement; right to information is embedded in the law, but LGAs are not always willing to disclose all procurement and contract information and few provide all the required procurement statistics and information to the PPRA and general public;
- *Private sector organisations employ integrity and anti-corruption measures and adhere to procurement standards:* measures to strengthen this are embedded in the PPA 2011 and PPR 2013; and
- *Civil society engages actively in procurement monitoring and corruption cases:* most civil society organisations are operating at national level; action research indicated a low understanding of the procurement law even of NGOs implementing voice and accountability projects; the project intends to commence the social and downward accountability interventions in the next year of the project cycle.

The project partly influences the impact through its interventions by emphasizing quality of political leadership at all levels, building capacity of civil society to take up its social accountability role, willingness of Councils to respond to procurement issues, embedding ethics, transparency and integrity in its interventions, and private sector organisations to adhere to accepted standards and application of sanctions. LGAs are supported to analyse their performance and prepare and implement procurement improvement plans to addressing issues that are largely within their control, whereas the Project has the role to bring strategic issues and recommendations to the policy and decision-making levels.

The following sections describe progress made at performance output level by linking the activities with the outputs as visualized below:



## 2.3 Performance Output 1: Strengthened Capacity to Provide Long-Term Support to Improved LGA Procurement Performance

This section describes performance output 1 “*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 sub-results include:

- LGA procurement operational manuals and procurement training manuals prepared and introduced;
- Outreach capacity of PPRA to LGAs and RAS/LGAMS increased through establishment of zonal offices and dissemination centres as per PPRA strategic plan;
- More appropriate and higher coverage of procurement audits in LGAs (compliance, performance and technical);
- LGA procurement capacity building strategy formulated;
- Competences of LGA procurement professionals defined;
- Better coordination and quality assurance of procurement training in LGAs; and
- Dialogue strengthened with stakeholders on LGA procurement.

Assumptions for achievement of the output include:

- CAG, IAG and DIA are willing and capable to audit LGA procurement;
- Adequate capacity is built of DIAs by other programmes;
- 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 as per PPA 2011; and
- Adequate resources to run the PPRA zonal offices and dissemination centres.

### 2.3.1 Analysis of progress made

Performance Output 1: Strengthened capacity to provide long-term support to improved LGA procurement performance (Result)					
Indicators	Baseline value	Progress 2013	Target 2014	End Target	Comments Baseline = Dec 2012
I-1.1 LGA operational procurement guides prepared and disseminated	Poor manuals	In progress	2 manuals	Adequate manuals	LLG manual early 2015
I-1.2 HLGA and LLGA training manuals updated, disseminated and used in trainings	Poor manuals	In progress	HLGA manual	Adequate manuals	LLGA manual early 2015
I-1.3 Competences and skills-levels of LGA procurement professionals / practitioners developed and applied in training curricula	Absent	In progress	Defined	Defined and used	Study in preparation Requires collaboration PPPD, PO-PSM and PPRA
I-1.4 Outreach capacity of PPRA to LGAs and RS/LGAMSS increased	Moderate	Improving	Moderate-Adequate	Good	Recruitment 50 PPRA in progress Two zonal offices being established
I-1.5 Coverage and appropriateness of LGA procurement audits increased	33% p.a.	Coverage= 25%		Coverage = 66%	Increased number of LGAs Increased scope of audits (compliance, technical) Target needs revision
I-1.6 Capacity of DIA and CAG to assure quality of procurement audits increased	Moderate	-	Adequate	Good	Planned for 2014/15
I-1.7 Policy dialogue on LGA procurement strengthened	Low	Improving	Moderate	Adequate	Part of GBS indicators Awareness increased

Performance Output 1: Strengthened capacity to provide long-term support to improved LGA procurement performance (Result)					
Indicators	Baseline value	Progress 2013	Target 2014	End Target	Comments Baseline = Dec 2012
I-1.8 All stakeholders increasingly engaged in dialogue on how to improve LGA procurement performance	Fair	Improving	Adequate	Good	Several conferences by PPRA, project, CBFW
I-1.9 Quality assurance and coordination of LGA procurement training improved	Low	In progress	Moderate	Adequate	QTPs reviewed Project Funding in 2014/15
I-1.10 LGA procurement capacity building strategy formulated and monitored	Absent	Draft	Draft approved	In place	

Progress of <u>main</u> activities	Progress:				Comments (only if the value is C- D)
	A	B	C	D	
1.1 Development and refinement of procurement manuals and guidelines			√		Admin delays
1.2 Dissemination of updated procurement guides and manuals					Depends on 1.1
1.3 Development of professional courses on procurement at higher skill levels					Planned for 2014/15
1.4 Training of ToT at HLG level: see 5.3					
1.5 Provision of Technical Assistance		√			
1.6 Strengthening PPRA outreach capacity to LGAs			√		Coast Zone 1 at 70%; North zone: tender dossier in preparation
1.7 Increasing appropriateness and coverage of LGA procurement audits by PPRA, DIA and CAG		√			
1.8 Strengthening quality assurance and coordination of LGA procurement training			√		Agreements with LGTI at signing stage
1.9 Engaging all stakeholders in dialogue on how to improve LGA procurement performance		√			
1.10 Formulation of LGA Procurement Capacity Building Strategy		√			
<b>Analysis of progress made towards output:</b>					
<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>	Key activities are progressing as per overall project implementation schedule or are in advanced stage of preparation and will contribute to the performance output. Project faced some administrative delays related to co-managed procurement and finalising the Protocol and Execution Agreements				
<i>Progress made towards the achievement of the output (on the basis of indicators):</i>	Progress is being made with more coordination at central level between key institutions (PPRA, PMO-RALG) through joint execution under the project and JLPC meetings (strategic level)				
<i>Issues that arose, influencing factors (positive or negative):</i>	PPRA received approval for recruitment of 50 additional staff partly to be stationed in the zonal offices; PPA 2011 has been operationalised following the gazetting of the regulations (GN 447 of 20 December 2013), which can be fully incorporated in the refinement and development of procurement manuals/guidelines				
<i>Unexpected results (positive or negative):</i>	Institutional issues take time i.e. finalising arrangements for establishment of PPRA office at GPSA premises and some are outside direct project control i.e. adequate funding of LGTI for LGA training coordination and quality assurance				

### 2.3.2 Budget execution

Budget execution as at 31<sup>st</sup> December 2013 is 20% out of the budget of € 1,602,000.

### 2.3.3 Quality criteria

Scores given on the basis of the elements above are as follows:

<b>Criteria</b>	<b>Score</b>
<b>Efficiency</b>	C
<b>Effectiveness</b>	B
<b>Sustainability</b>	B

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

This section describes performance output No 2 "Systems for Monitoring & Quality Assurance of LGA Procurement Strengthened" and the dynamics surrounding the evolution of this output as captured in the Indicators. The sub-results include:

- Increased concurrence between DIA reports on LGA procurement with external procurement audit reports (PPRA, CAG);
- Increased use of PMIS interfaced with MIS in the LGAs (PlanRep, Epicor, and the CDR/CFR reports);
- Procurement monitoring (CAG, PPRA, PMO-RALG) increasingly based on similar agreed indicators;
- Increased concurrence between PPRA and PMO-RALG procurement monitoring reports; and
- Adequate follow-up, monitoring, coaching, and advice by RAS/LGAMSS to procurement in selected LGAs.

Assumptions for achievement of the output include:

- Actors at all levels are committed to harmonization of LGA procurement monitoring and quality assurance;
- RAS/LGAMSS and PMO-RALG provide advice and monitor action taken by LGAs on DIA and CAG/PPRA reports;
- Reliable LGAs connectivity for web-based FMIS and PMIS; and
- PMIS adequately interfaced with PlanRep and Epicor.

### 2.4.1 Analysis of progress made

Performance Output 2: Systems for monitoring and quality assurance LGA procurement strengthened (Result)					
Indicators	Baseline value	Progress 2013	Target 2014	End Target	Comments
I-2.1 Concurrence DIA reports on LGA procurement and contract implementation with CAG and PPRA audits increased	Largely different	-	More concurrent	Largely concurrent 21 districts	To start in FY 2014/15
I-2.2 Use of customized and interfaced Procurement MIS in selected LGAs increased	0%	-	Interface introduced to 21 LGAs	> 80% 21 districts	Position Paper presented in CBFW PMIS review by PPRA in progress Project support to start in 2014
I-2.3 Procurement monitoring of PPRA, CAG and PMO-RALG increasingly based on similar agreed indicators	Differ	Partly harmonized	Agreement on indicators	Largely concur	Quality assurance indicators included in Assessments
I-2.3 Concurrence PMO-RALG procurement monitoring reports with PPRA procurement audits increased	Differ	More concurrence in QA	Increased concurrence	Largely concur	Monitoring and audits have different objectives: work in progress, more concurrence on Quality Assurance
I-2.4 Adequate follow-up, coaching and advice by RAS/LGAMS to procurement monitoring in selected LGAs	No adequate Action	Ongoing	Introducing system Better follow-up	100% follow-up 4 regions 21 districts	Pilot system to start in 2014-Q1/Q2 4 regions to be covered in FY 2014/15
I-2.5 Adequate action as agreed in procurement audit follow-up to weak areas by selected LGAs	No adequate Action	Ongoing	Better follow-up actions	100% follow-up 21 districts	Depends on 1.2.4

Progress of <u>main</u> activities	Progress:				Comments (only if the value is C or D)
	A	B	C	D	
2.1 Harmonizing systems and indicators for monitoring LGA procurement compliance and performance			√		Study Tor prepared, execution for 2014
2.2 Strengthening capacity of Regional Secretariat to provide oversight, monitoring, coaching and follow-up support to LGAs on procurement		√			ToR prepared ; 'on-call' execution 2014; Agreement BTC-PMO-RALG in preparation to start in July 2014
2.3 Support for customization and interfacing of Procurement MIS		√			PMIS review in progress (PPRA) Project support to start in 2014
2.4 Support for training of District Internal Auditors		√			Planned for 2014
<b>Analysis of progress made towards output: Analyse the dynamics between the activities and the probable achievement of the Output (see Results Report Guide).</b>					
<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>	There is growing consensus on importance of DIAs for internal quality assurance and 'single' audit approach/concept; PPA 2011 strengthens external and internal monitoring; collaboration between PPRA (zonal offices) and RAS will provide better action-oriented support to LGA procurement				
<i>Progress made towards the achievement of the output (on the basis of indicators):</i>	Work in progress and systems will be designed and tested in 2014; Project actively involves the AAS/LGAMSS in interventions				
<i>Issues that arose, influencing factors (positive or negative):</i>	Award of indefinite service contracts increased procurement efficiency; interfacing PMIS with Epicor is complex due to issues of source codes; interface with PlanRep feasible reducing PMU workload, increased PMIS usage and increasing completeness of procurement MIS; PPRA organised PMIS training in 2013 (with ADB funding); use of PPRA developed systems is one of the new criteria of procurement monitoring/audits of PPRA; PMIS review is ongoing; ICT is clearly recognised in the LGA Organisation Structure and several LGA are making effort to enhance their ICT capacity; questionnaires indicate a shortage of ICT equipment, software issues and PMUs are yet to be connected to Epicor				
<i>Unexpected results (positive or negative):</i>	-				

#### 2.4.2 Budget execution

Preparations for the operations started in July 2013 (consultations with stakeholders, preparations of Terms of Reference) and execution is planned to commence in 2014. Budget execution as at 31<sup>st</sup> December 2013 is 0% out of budget of € 375,000.

#### 2.4.3 Quality criteria

Scores given on the basis of the elements above are as follows:

Criteria	Score
Efficiency	B/C
Effectiveness	B
Sustainability	B

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

This section describes performance output No 3 “Community members better informed and able to monitor Local Government procurement performance”. The sub-results include:

- 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 issues in selected regions and LGAs increased; and
- Skills of LAAC and PPRA on LGA procurement issues, compliance and follow-up increased.

Except for the interactions between PPRA and LAAC, the activities for this result area are scheduled to start in 2014. Assumptions for achievement of the output include:

- CSO and media willing and able to enhance their roles in tracking and monitoring LGA procurement, uncovering procurement malpractices and reporting on these;
- Independence of media and access to information recognized and maintained;
- LAAC committed to meet with PPRA; and
- LGAs willing to discuss procurement issues with citizens.

### 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 2013	Target 2014	End Target	Comments
I-3.1 Community awareness on LGA procurement issues in selected LGAs increased	Low	-	Build CSO skills	Majority aware	In 21 districts
I-3.2 Ability of CSOs to monitor LGA procurement in selected districts and regions increased	None	-	Build CSO skills	tbd	In four regions and 21 districts
I-3.3 Media coverage of LGA procurement issues in selected regions and LGAs increased	Low	-	Increase media skills	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	-	Increased skills	In place	

Result 3: Community members better informed and able to monitor Local Government procurement performance (Output)							
Indicators	Baseline value	Progress 2013	Target 2014	End Target	Comments		
<b>Progress of main activities</b>				<b>Progress:</b>		Comments (only if the value is C or D)	
				A	B		C
3.1	Providing guidance and materials to CSOs to increasing skills in tracking, analysing and reporting on LGA procurement					Scheduled to start in 2014/15; concept note is in preparation	
3.2	Providing guidance and materials to media (radio, TV, local newspapers etc) to increasing skills in tracking, analysing and reporting on LGA procurement					Scheduled to start in 2014/15	
3.3	PPRA engages with Local Authorities Accounts Committee to increase skills in LGA procurement issues, compliance and follow-up				√	Re-planned for 2014	
<b>Analysis of progress made towards output: Analyse the dynamics between the activities and the probable achievement of the Output (see Results Report Guide).</b>							
<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>		The key activities will definitely contribute to the performance output. Consultations between PPRA and LAAC did not take place and have been re-planned.					
<i>Progress made towards the achievement of the output (on the basis of indicators):</i>		It is too early to assess progress as execution is scheduled to start next year.					
<i>Issues that arose, influencing factors (positive or negative):</i>		USAID has started a new project with PPRA on social accountability in LGA procurement					
<i>Unexpected results (positive or negative):</i>		-					

### 2.5.2 Budget execution

Budget execution as at 31<sup>st</sup> December 2013 is 1% out of budget of € 469,000.

### 2.5.3 Quality criteria

Scores given on the basis of the elements above are as follows:

Criteria	Score
Efficiency	B
Effectiveness	-
Sustainability	-



## 2.6 Performance Output 4: Action Research

This section describes performance output No 4 "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 sub-results include:

- Action research conducted and reflected in project design and recommendations;
- Follow-up provided to action research;
- Methodology, results and impact assessed; and
- LGA procurement capacity database established and maintained.

Assumptions for achieving the output include:

- Strategic decision-makers are committed to implement action research recommendations; an
- Stakeholders disclose openly weaknesses and opportunities in the LGA procurement system and process i.e. willing and committed in the Action Research and change management process.

### 2.6.1 Analysis of progress made

Performance Output 4: Action research on LGA procurement practices, incentives and organizational structures conducted					
Indicators	Baseline value	Progress 2013	Target 2014	End Target	Comments
I-4.1 Action research findings and recommendations reflected in project design and reviews	-	Ongoing	Ongoing	In place	Covering two LGAs per region; include LGA improvement plans
I-4.2 Policy recommendations based on (gender sensitive) action research prepared, targeted and communicated	-	Partly done	Ongoing	In place	CBFW includes BLS recommendations To start in 2014/15 following Action Research 2013/14
I-4.3 LGA procurement capacity data base established and maintained	-	In place	In place	In place	Based on existing M&E

Progress of <u>main</u> activities	Progress:				Comments (only if the value is C or D)
	A	B	C	D	
4.1 Conducting action research (gender sensitive) on LGA procurement practices, incentives and organizational structures to inform program design, dialogue and recommendations on policy reform		√			
4.2 Providing follow-up to Action Research					BLS integrated in intervention
4.3 Assessing methodology, results and impact					Later in project cycle
4.4 Establishing and maintaining LGA procurement capacity database		√			

#### Analysis of progress made towards output:

<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>	The activities are contributing to inform project design and several issues identified in the studies are (being) integrated in project design; AR includes component of change management based on participatory research techniques (input phase), improvement plans for transition and output phase; this will inform both LGAs and Project (strategic level)
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<i>Progress made towards the achievement of the output (on the basis of indicators):</i>	BLS completed and action research ongoing; data base is in place
<i>Issues that arose, influencing factors (positive or negative):</i>	Up-to-date procurement audits provide essential information for the AR input phase
<i>Unexpected results (positive or negative):</i>	Several LGAs had (very) poor audit results which increased awareness on urgency, willingness and commitment to making changes in procurement management.

### 2.6.2 Budget execution

Budget execution as at 31<sup>st</sup> December 2013 is 6% out of budget of € 302,305.

### 2.6.3 Quality criteria

Scores given on the basis of the elements above are as follows:

<b>Criteria</b>	<b>Score</b>
<b>Efficiency</b>	B
<b>Effectiveness</b>	B
<b>Sustainability</b>	B

## 2.7 Performance Output 5: LGA Procurement Performance Strengthened

This section describes performance output No 5 “LGA Procurement Performance Strengthened”. The sub-results include:

- LGA Procurement capacity defined;
- PMUs established and capacitated;
- LGA Procurement skills development plans formulated;
- Procurement Training Teams established, ToT/ToC trained and functional in selected LGAs; and
- Procurement skills in selected LGA (HLG and LLG levels) improved in weak performance areas (record keeping, contract administration, procurement planning and implementation, reporting, accountability).

Quality assurance is cross-cutting and is also addressed through other result areas. 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 and training;
- LGAs appoint Focal Points and Training Teams and make resources available for procurement training at all levels; and
- LLG staff qualify to enter LGTI in-service training programmes.

### 2.7.1 Analysis of progress made

Performance Output 5: LGA procurement performance strengthened (Result)					
Indicators	Baseline value	Progress 2013	Target 2014	End Target	Comments
5.1 Competences and skills-levels of LGA procurement professionals and practitioners developed and applied in training curricula	Absent	Skills Gaps analysis ongoing	Defined	Defined and used	Generic, applied in EPC-LGAP products
5.2 LGA Procurement capacity defined, PMU established and capacitated	Absent	Ongoing	Defined	Defined and in place	Depends on PPA 2011; generic, PMU sub-votes, staffing
5.3 Procurement skills development plans defined, Procurement Training Teams established, ToT/ToC trained and functional in selected LGAs	Absent	-	In Place	Present in 21 districts	Preparations started, excludes MCs and CCs, planned for 2014; increased scope to 30 LGAs
5.4 LGA Procurement skills improved in selected LGAs (HLG; LLG) - Procurement record keeping - Procurement planning, implementation and reporting	30% 35%	40% 48%	Sustain trend	> 80% 21 districts	Covering the 21 districts, meeting CPI criteria (now 30 LGAs)

Progress of <u>main</u> activities	Progress:				Comments (only if the value is C or D)
	A	B	C	D	
5.1 Development of LGA procurement skills-development plans		√			
5.2 Capacitation of PMUs in critical procurement areas		√			
5.3 Establishment of procurement Training Teams (ToT/ToC) for procurement training and coaching at HLG and LLG levels					Scheduled for 2014
5.4 Support to LGA procurement skills enhancement and training in identified areas					Scheduled for 2014/15
<b>Analysis of progress made towards output: Analyse the dynamics between the activities and the probable achievement of the Output (see Results Report Guide).</b>					
<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>	Preparations are advancing well, capacity needs have been assessed and plans, training teams and support for skills enhancement is planned to start in 2014 in line with overall project implementation schedule				
<i>Progress made towards the achievement of the output (on the basis of indicators):</i>	The skills enhancement intervention (mix of supply-side and demand by LGAs) has been well received by stakeholders, and the participation of LGAs in planning increased sense of ownership				
<i>Issues that arose, influencing factors (positive or negative):</i>	Credibility of budget and releases remain a challenge to procurement in the LGAs				
<i>Unexpected results (positive or negative):</i>					

### 2.7.2 Budget execution

Budget execution as at 31st December 2013 is 0% out of budget of € 866,000.

### 2.7.3 Quality criteria

Scores given on the basis of the elements above are as follows:

Criteria	Score
Efficiency	B
Effectiveness	B
Sustainability	B

### 3. BUDGET EXECUTION

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

#### 3.1 Gender

Gender differentiated indicators are 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

The project intends, in line with the development strategies of Tanzania and the priorities defined in the Indicative Development Cooperation programme (IDCP) to take into account the sustainable use of environmental and natural resources in relation to LGA procurement. This includes:

- Geographic selection of implementation areas: one of the pilot regions includes LGAs in Kigoma region (which includes the BTC Beekeeping Support Project, Decentralised environmental management project) and the Coast region surrounding the fast-growing national metropolis;
- Review and updating of the LGA procurement training programmes and procurement guides includes environmental dimensions of procurement and contract management (local materials use; 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; e-procurement is covered in PPA 2011 and PPR 2013;
- 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; and
- Special attention to align with Tanzanian environmental regulations and administrative system, which give a major role to Local Government Authorities.

#### 3.3 Other

The importance of *Health and Safety* in public procurement 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.

*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 provisions of works contracts.

Provisions for *Local Economic Development*, promotion of *Small and Medium Enterprises* and *public-private partnerships* in relation to LGA procurement is an important issue, which will be addressed and integrated in the procurement guides and training manuals developed under the project within the framework of PPA 2011 and PPR 2013.

### 3.4 Risk Management

See table on next page.

Identification of risk/issue		Analysis of risk/issue				Detail of risk/issue			Follow-up of risk/issue	
Risk description	Period of identification	Category	Likelihood	Potential impact	Total	Action(s)	Resp	Deadline	Progress	Status
No official working relationship / coordination and cooperation between PMO-RALG and PPRA	TFF	OPS	Low	Medium	Low Risk	Membership of PPRA and PMO-RALG in JIPC	PPRA	Jul-12	Both member since July 2012; JIPC met 4 times; several joint events organised	Terminated
Inadequate understanding and experience of LGAs	TFF	OPS	Low	High	Medium Risk	Membership PIU, joint missions and activities, action research	PPRA, PMO-RALG	Jul-12	PPRA and PMO-RALG member of PIU, regular PIU meetings, joint BLS, joint consultations,	In progress
Inadequate time available	TFF	OPS	Medium	Medium	Medium	Action research and LG capability assessments	PIU	Dec-13	Started in 2013-Q4	In progress
Delays in procurement	TFF	OPS	Medium	Medium	Medium Risk	Formalise staff inputs in Agreements	BTC	Dec-13	Pending signing agreements	In progress
Delays in signing of implementation agreements	TFF	OPS	Low	High	Medium Risk	Follow-up to procurement plans; 'on-call' contracts	PIU, PPRA		On-call contracts launched in 2013-Q2 and awarded in 2013-Q4	In progress
	TFF	OPS	Low	High	Medium Risk	Finalise signing of various Agreements	PIU, BTC	Dec-13	Project and PPRA procurement plans streamlined starting July 2013, end-dates likely to be attained	In progress
Poor incentives and inadequate institutional arrangements for LGA (procurement) capacity building	TFF	OPS	Medium	Medium	Medium Risk	Finalise signing of various Agreements	PIU, BTC	Mar-13	Drafts Agreements prepared in 2013-Q2, revised in 2013-Q3, pending final approvals	In progress
	TFF	OPS	Medium	Medium	Medium Risk	LG Procurement Capacity Building Strategy	PPRA, PMO-RALG	Nov-13	Project outcome and outputs agreed upon in 2013-Q3	In progress
PMUs in LGA lack required quantity and quality of staff	TFF + Inception	DEV	Medium	Medium	Medium Risk	Action research on procurement structures, incentives and operational capacity		Dec-13	Draft CB strategy formulated in 2013-Q2; GoT systems can partly be used; LG training strategy not (yet) operational; PPA 2011 operational	In progress
Available adequate management and technical expertise	TFF	OPS	Low	Medium	Low Risk	Follow-up PMU capacity, skills development plans, capacity plans, management of procurement staff and cadres	PPRA, PMO-RALG	Dec-13	Started in 2013-Q4	In progress
	TFF	OPS	Low	Medium	Low Risk	Adequate PIU staffing	PIU, PPRA	Dec-12	Part of operational plans; PMU Scheme of Service proposed; Provision of PMU sub-vote in PPA 2011; ongoing professionalization of PMU staff; management of PMU staff 'centralized' in PPA 2011	In progress
	TFF	OPS	Low	Medium	Low Risk	Availability of local consultants	PIU, PPRA	Oct-13	PIU staffed since Aug 2012; distance Dodoma-Dar is a challenge; PPRA staff inputs constrained by other regular duties; signing of Protocol Agreement in progress	In progress
	TFF	OPS	Low	Medium	Low Risk	Availability of local consultants	PIU, PPRA	Oct-13	On-call' contracts started in 2013-Q4; work in progress	In progress

Low predictability in LGA budget transfers	TFF + Inception	DEV	Medium	High	High Risk	Advocacy to improve LGA budget credibility	JLPC	Need for advocacy likely to continue; GoT budget cycle improved in FY 2013/14; policy measures to increase domestic revenue; still low transparency in LGA budget allocations and transfers; many unfunded priorities; project follows 18 months planning cycle	In progress
Inadequate reporting by LGAs (procurement, budget execution)	Inception	DEV	Medium	Medium	Medium Risk	PPRA PMIS; Linking PlanRep-PMIS-Epicor; Action Research	PIU JLPC	GoT initiatives ongoing; part of project interventions 2013/14; PPRA started PMIS review	In progress
LGAs limited control over staffing levels	TFF + Inception	DEV	Medium	Medium	Medium Risk	Proposed JLPC Membership of PO-PSM and PPPD; continued advocacy for adequate staffing;	JLPC	Ongoing, not likely to be resolved soon, but initiatives made to give LGAs more control over lower level staffing; PO-PSM and PPPD proposed members JLPC (see JLPC decisions)	In progress
High staff turn-overs constrains LT capacity building	TFF	DEV	Medium	Medium	Medium Risk	Professionalization of PMUS; incentives and structures	PMO-RALG, PO-PSM, PPPD	Ongoing, not likely to be resolved	In progress
CB programmes struggle to measure and prove results	TFF	DEV	Medium	Medium	Medium Risk	Well designed project, where possible aligned to GoT systems	JLPC	LF revised incl M&E; project support LGTI Hombolo for QA and coordination starting 2013/14; skills development plan formulation in progress, implementation with LGAs starting 2014/15	In progress
Depth of policy dialogue	TFF	DEV	Medium	Medium	Medium Risk	Policy consultations	BTC JLPC	At higher level DPs and GoT; PPRA = procurement conferences and dialogue platforms; CBFW and consultations organised by project; PPPD proposed JLPC member	In progress
CB project funds not used for purpose	TFF	FIN	Medium	Medium	Medium Risk	Project fund controls; project MIS	PIU	In place since Mar 2013 (PIM); more experience needed for training and CB events at LGA level	Terminated
Inadequate project controls	TFF	FIN	Medium	Medium	Medium Risk	Financial Controller member of PIU; Project Implementation Manual; audits	BTC PIU	In place since May 2012; March 2013 (PIM)	Terminated
Capacity of LGTI in education development	Inception	OPS	Medium	Medium	Medium Risk	TOR for training development to include partnering with other Institutes	PIU LGTI	Reflected in ToR; ongoing LGTI recruitment	In progress
Staffing of PPRA zonal offices	Inception	DEV	Medium	Medium	Medium Risk	Recruitment of new staff	PPRA	In PPRA plan, ongoing follow-up	In progress



## 4. STEERING AND LEARNING

Based on the findings and recommendations of project studies, desk review, field missions, Base Line Study and inception report, the LGA procurement capacity building formulation workshop was organised with a participation of a wide range of stakeholders. Findings and recommendation were included in the modified Logical Framework and Key Activities (see Annex 5.3).

The Project Implementation Manual was finalised and guides project implementation. It is expected that the Protocol Agreements and (Annual) Execution Agreements (at signing stage) will further embedding and ownership of the Project in the implementing institutions.

### 4.1 Strategic re-orientations

The strategic orientation of the Project has not changed. The immediate aim is to address LGA procurement gaps and weaknesses (increased compliance and performance) and align LGA procurement better to operational management; and then align procurement better with the strategic LGA objectives in terms of efficient, effective and economic procurement to achieve service delivery objectives. This is done by a mixed approach which aims to strengthen capacities at national level (central oversight bodies; supply side interventions), intermediate level (regions), sub-national level (the LGAs, demand-driven) and users of LGA services (social accountability). In 2014 emphasis will be on achievement of strategic outputs and key activities, in particular:

- Support for strengthening the central oversight and procurement system (PPRA outreach to the LGAs; continued strengthening of collaboration with PMO-RALG and the regional level; preparation of the LGA procurement manuals and guides);
- Support for LGA procurement systems (interfacing the procurement MIS in the LGAs; strengthening internal control of procurement and contract management);
- Building capacity in the LGAs to analyse procurement performance, design of improvement plans and procurement skills enhancement; this will be intensively in two LGAs in each region (through action research) and to all Higher LGAs in the pilot regions (skills enhancement plans and start of interventions; re-tooling of PMUs in critical procurement areas; setting up Council Procurement Training Teams);
- Continued collaboration of the Project with the regional level and (when zonal offices will be fully established) strengthened coordination between PPRA zones and regions;
- Provisions of PPA 2011 and PPR 2013 to strengthen the professional position of the PMUs in the LGAs;
- Followed in 2015/16 to address capacity strengthening at sub-council level and community institutions.

### 4.2 Recommendations

The table below indicates the main strategic and operational decision and actions to be taken in 2014.

<b>Recommendations</b> <i>Description of the action/decisions</i>	<b>Lead Actor</b> <i>Responsible</i>	<b>Support</b>	<b>Deadline</b> <i>Period</i>
Establish PMU sub-vote as per PPA 2011; provision of adequate OC budget for PMUs	PMO-RALG	PPRA	2014-Q1

<b>Recommendations</b> <i>Description of the action/decisions</i>	<b>Lead Actor</b> <i>Responsible</i>	<b>Support</b>	<b>Deadline</b> <i>Period</i>
Defining PMU establishment as per PPA 2011	PPPD	PPRA PMO-RALG	2014-Q2
Defining LGA procurement competences and skills-levels of professionals and practitioners as per PPA 2011	PPPD	PPRA PMO-RALG PSPTB PO-PSM	2014-Q2
Interfacing of PlanRep and PMIS/APP	PPRA PMO-RALG		2014-Q2
Use of Epicor by PMUs for generating LPOs	PPRA PMO-RALG	MoF	2014-Q3
RAS/LGAMSSS support system to LGA procurement	PMO-RALG	PPRA IAG	2014-Q2
Defining procurement expertise in RS/LGAMSSS	PMO-RALG	PPRA	2014-Q3
Study on legal issues of PPA 2011 and PPR 2013 vis-à-vis LGFA/LGA and LGFM	PPRA PMO-RALG		2014-Q2
Harmonizing procurement indicators for audits and quality assurance	PPRA	IAG PMO-RALG CAG	2014-Q4
Sector procurement and project specific procurement guidelines to be shared with PPRA for review before issuing to accounting officers and stakeholders	PPPD	PPRA PMO-RALG MDAs	2014-Q4

### 4.3 Lessons Learned

<b>Lessons learned</b>	<b>Target audience</b>
Importance of maximising sense of ownership in project intervention and joint, participatory preparations in capacity building, development	PMO-RALG; PPRA; BTC
Usefulness of a flexible approach allowing to make changes in project design, selection of project partners, modalities, etc	PPRA, BTC, PMO-RALG
Need for capacity development approach combing demand-driven and supply-side interventions	PMO-RALG; PPRA; BTC

## 5. ANNEXES

### 5.1 Quality Criteria

1. RELEVANCE: The degree to which the intervention is in line with local and national policies and priorities as well as with the expectations of the beneficiaries				
<i>In order to calculate the total score for this quality criterion, proceed as follows: 'At least one 'A', no 'C' or 'D' = A; Two times 'B' = B; At least one 'C', no 'D' = C; at least one 'D' = D</i>				
Assessment RELEVANCE: total score	A	B	C	D
√				
1.1 What is the present level of relevance of the intervention?				
√	A	Clearly still embedded in national policies and Belgian strategy, responds to aid effectiveness commitments, highly relevant to needs of target group.		
	B	Still fits well in national policies and Belgian strategy (without always being explicit), reasonably compatible with aid effectiveness commitments, relevant to target group's needs.		
	C	Some issues regarding consistency with national policies and Belgian strategy, aid effectiveness or relevance.		
	D	Contradictions with national policies and Belgian strategy, aid efficiency commitments; relevance to needs is questionable. Major adaptations needed.		
1.2 As presently designed, is the intervention logic still holding true?				
√	A	Clear and well-structured intervention logic; feasible and consistent vertical logic of objectives; adequate indicators; Risks and Assumptions clearly identified and managed; exit strategy in place (if applicable).		
	B	Adequate intervention logic although it might need some improvements regarding hierarchy of objectives, indicators, Risk and Assumptions.		
	C	Problems with intervention logic may affect performance of intervention and capacity to monitor and evaluate progress; improvements necessary.		
	D	Intervention logic is faulty and requires major revision for the intervention to have a chance of success.		

2. EFFICIENCY OF IMPLEMENTATION TO DATE: Degree to which the resources of the intervention (funds, expertise, time, etc.) have been converted into results in an economical way				
<i>In order to calculate the total score for this quality criterion, proceed as follows: 'At least two 'A', no 'C' or 'D' = A; Two times 'B', no 'C' or 'D' = B; at least one 'C', no 'D' = C; at least one 'D' = D</i>				
Assessment EFFICIENCY : total score	A	B	C	D
		√		
2.1 How well are inputs (financial, HR, goods & equipment) managed?				
	A	All inputs are available on time and within budget.		
√	B	Most inputs are available in reasonable time and do not require substantial budget adjustments. However there is room for improvement.		
	C	Availability and usage of inputs face problems, which need to be addressed; otherwise results may be at risk.		
	D	Availability and management of inputs have serious deficiencies, which threaten the achievement of results. Substantial change is needed.		

2.2 How well is the implementation of activities managed?	
	<b>A</b> Activities implemented on schedule
√	<b>B</b> Most activities are on schedule. Delays exist, but do not harm the delivery of outputs
	<b>C</b> Activities are delayed. Corrections are necessary to deliver without too much delay.
	<b>D</b> Serious delay. Outputs will not be delivered unless major changes in planning.
2.3 How well are outputs achieved?	
	<b>A</b> All outputs have been and most likely will be delivered as scheduled with good quality contributing to outcomes as planned.
√	<b>B</b> Output delivery is and will most likely be according to plan, but there is room for improvement in terms of quality, coverage and timing.
	<b>C</b> Some outputs are/will be not delivered on time or with good quality. Adjustments are necessary.
	<b>D</b> Quality and delivery of outputs has and most likely will have serious deficiencies. Major adjustments are needed to ensure that at least the key outputs are delivered on time.

3. EFFECTIVENESS TO DATE: Degree to which the outcome (Specific Objective) is achieved as planned at the end of year N				
<i>In order to calculate the total score for this quality criterion, proceed as follows: 'At least one 'A', no 'C' or 'D' = A; Two times 'B' = B; At least one 'C', no 'D' = C; at least one 'D' = D</i>				
Assessment EFFECTIVENESS : total score	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
		√		
3.1 As presently implemented what is the likelihood of the outcome to be achieved?				
	<b>A</b>	Full achievement of the outcome is likely in terms of quality and coverage. Negative effects (if any) have been mitigated.		
√	<b>B</b>	Outcome will be achieved with minor limitations; negative effects (if any) have not caused much harm.		
	<b>C</b>	Outcome will be achieved only partially among others because of negative effects to which management was not able to fully adapt. Corrective measures have to be taken to improve ability to achieve outcome.		
	<b>D</b>	The intervention will not achieve its outcome unless major, fundamental measures are taken.		
3.2 Are activities and outputs adapted (when needed), in order to achieve the outcome?				
	<b>A</b>	The intervention is successful in adapting its strategies / activities and outputs to changing external conditions in order to achieve the outcome. Risks and assumptions are managed in a proactive manner.		
√	<b>B</b>	The intervention is relatively successful in adapting its strategies to changing external conditions in order to achieve its outcome. Risks management is rather passive.		
	<b>C</b>	The intervention has not entirely succeeded in adapting its strategies to changing external conditions in a timely or adequate manner. Risk management has been rather static. An important change in strategies is necessary in order to ensure the intervention can achieve its outcome.		
	<b>D</b>	The intervention has failed to respond to changing external conditions, risks were insufficiently managed. Major changes are needed to attain the outcome.		

4. POTENTIAL SUSTAINABILITY: The degree of likelihood to maintain and reproduce the benefits of an intervention in the long run (beyond the implementation period of the intervention).				
In order to calculate the total score for this quality criterion, proceed as follows: At least 3 'A's, no 'C' or 'D' = A ; Maximum two 'C's, no 'D' = B; At least three 'C's, no 'D' = C ; At least one 'D' = D				
Assessment POTENTIAL SUSTAINABILITY : total score	A	B	C	D
		√		
<b>4.1 Financial/economic viability?</b>				
	A	Financial/economic sustainability is potentially very good: costs for services and maintenance are covered or affordable; external factors will not change that.		
√	B	Financial/economic sustainability is likely to be good, but problems might arise namely from changing external economic factors.		
	C	Problems need to be addressed regarding financial sustainability either in terms of institutional or target groups costs or changing economic context.		
	D	Financial/economic sustainability is very questionable unless major changes are made.		
<b>4.2 What is the level of ownership of the intervention by target groups and will it continue after the end of external support?</b>				
	A	The steering committee and other relevant local structures are strongly involved in all stages of implementation and are committed to continue producing and using results.		
√	B	Implementation is based in a good part on the steering committee and other relevant local structures, which are also somewhat involved in decision-making. Likelihood of sustainability is good, but there is room for improvement.		
	C	The intervention uses mainly ad-hoc arrangements and the steering committee and other relevant local structures to ensure sustainability. Continued results are not guaranteed. Corrective measures are needed.		
	D	The intervention depends completely on ad-hoc structures with no prospect of sustainability. Fundamental changes are needed to enable sustainability.		
<b>4.3 What is the level of policy support provided and the degree of interaction between intervention and policy level?</b>				
	A	Policy and institutions have been highly supportive of intervention and will continue to be so.		
√	B	Policy and policy enforcing institutions have been generally supportive, or at least have not hindered the intervention, and are likely to continue to be so.		
	C	Intervention sustainability is limited due to lack of policy support. Corrective measures are needed.		
	D	Policies have been and likely will be in contradiction with the intervention. Fundamental changes needed to make intervention sustainable.		
<b>4.4 How well is the intervention contributing to institutional and management capacity?</b>				
	A	Intervention is embedded in institutional structures and has contributed to improve the institutional and management capacity (even if this is not an explicit goal).		
√	B	Intervention management is well embedded in institutional structures and has somewhat contributed to capacity building. Additional expertise might be required. Improvements in order to guarantee sustainability are possible.		
	C	Intervention relies too much on ad-hoc structures instead of institutions; capacity building has not been sufficient to fully ensure sustainability. Corrective measures are needed.		
	D	Intervention is relying on ad hoc and capacity transfer to existing institutions, which could guarantee sustainability, is unlikely unless fundamental changes are undertaken.		

## 5.2 Decisions taken by the steering committee and follow-up

See table on next page.

Decision			Action			Follow-up			
N°	Decision	Identification period (mm/yyyy)	Source *	Actor	Activity	Resp.	Deadline	Progress	Status
1	Include changes in the JLPC	Jul-12	JLPC	PIU	Update JLPC as per comments of meeting	PM	ASAP	JLPC mandate and functions updated	CLOSED
2	Proposed PO-PSM membership	Jul-12	Start-up	Chair	Communicate to PO-PSM on proposed membership	Chair	Before next meeting	Communication has been made although no response from PO-PSM, follow-up ongoing, needs due attention of JLPC and PIU	ONGOING
3	Accommodation of the PIU at PPRA HQs and dissemination centre in Kurasini	Jun-12	Start-up	PIU	1) providing office space in PPRA for effective project communication and 2) establishment of the Coast zonal dissemination centre in Kurasini	PIU	Operational plan 2013	PIU Office space provided, Coast zonal office in operational plan 2013 and renovation at execution stage	CLOSED
4	Project start up and launch	Jul-12	Start-up	PIU	Insert in project plan	PIU	Plan 2012	Part of plan 2013 and organised in June 2013 together with distribution of project communication materials	CLOSED
5	Procurement costs	Jul-12	Start-up	PPRA	Prepare break-down of all expected procurement costs for further action by PPRA	PIU	ASAP	Done; part of operational planning and budget based on procurement plans; financed as part of activities	CLOSED
6	Project steering committee costs	Jul-12	Start-up	PPRA	Proposal for JLPC costs	PIU	Before next meeting	Done: Project covers organisation and travel costs; PPRA covers costs not covered by BTC contribution	CLOSED
7	Contributions PIU seconded staff	Jul-12	Start-up	PPRA	Need to 'recognise' the contributions of PIU seconded staff and JLPC members	PPRA BTC	Before next meeting	Included in Protocol Agreement BTC PPRA, which is at signing stage	ONGOING
	The need to finalise the procurement regulations to	Jul-12	Start-up	JLPC	Procurement regulations to reflect PPA 2011	PPRA	Before next meeting	Public Procurement Regulations 2013 gazetted on 20/12/2013 (GN 446)	CLOSED
8	Project Implementation Manual	Mar-13	Start-up	PIU	Update PIM version 1.1.2 with corrections and introduce	PIU	ASAP	Done and PIM in use	CLOSED
9	Targeted LGAs	Mar-13	Inception	PIU	Targeted LGAs in 4 regions exclude City and Municipal Council	PIU	Operational plan 2013	Reflected in operational planning; Project now covering 29 LGAs (was 21)	CLOSED
10	Involvement of LGTI Hombolo	Mar-13	Inception	JLPC	Full involvement of LGTI in project required	PIU	Operational plan 2013	Reflected in operational plan; Signing of agreements BTC-LGTI in progress	ONGOING
11	Project obstacles related to procurement	Mar-13	Inception	PPRA	Identify at early stage, follow-up and tackle (mainly related to procurement)	PIU	ASAP	Closely followed by PIU; on-call contracts awarded to enhance procurement efficiency; continued guidance to procurement through PIU	ONGOING
12	Proposed membership of PPPD	Mar-13	Inception	Chair	Follow-up to PPPD and invitation to attend JLPC meeting	Chair	Before next meeting	PPPD invited and attended CBRW in Dodoma; invited to 3rd ordinary JLPC meeting; needs follow-up	ONGOING
13	Staffing of PPRA zonal offices	Aug-13	Missio	PPRA	PPRA to follow-up to staffing of zonal offices	PPRA	Plan 13-14	In PPRA plan, recruitment ongoing	ONGOING
14	Address challenges in project execution	Aug-13	Reports	PIU	Remedial measures to address procurement and administrative bottlenecks	PIU	Plan 13-14	Ongoing: framework contracts in place; agreements BTC with implementing institutions at signing stage	ONGOING
15	Modified Logical Framework and Budget	Aug-13	Reports	PIU	Integrate comments of JLPC in final versions	PIU	ASAP	Done and reflected in plans, budgets, M&E/MIS and project communication	CLOSED

### 5.3 Updated Logical Framework

The Logical Framework was updated following the approval by the JLPC in its meeting of August 2013. Baseline values and targets are specified in the M&E Framework and integrated in this results report.

Intervention Logic	Performance Indicators <sup>2</sup>	Means of Verification	Assumptions
<p><b>Overall Objective:</b> 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"> <li>▪ Government statistics</li> <li>▪ LGA FMIS</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sound macro-economic policies continue to be implemented</li> <li>▪ Conducive environment to democratic governance in place</li> </ul>
<p><b>Specific Objective:</b> Procurement capacity at local government level sustainably enhanced</p>	<ul style="list-style-type: none"> <li>▪ Compliance of LGAs (HLGs and LLGs) to procurement law increased:</li> <li>- Overall CPI score of LGAs increased</li> <li>- Overall CPI score in selected LGAs increased</li> <li>- LGA VfM scores of Road contracts improved</li> <li>- LGA VfM score of Building contracts improved</li> </ul>	<ul style="list-style-type: none"> <li>▪ PPRA compliance reports</li> <li>▪ CAG reports</li> <li>▪ LGA Internal Audit reports</li> <li>▪ CSO reports on LGA procurement</li> </ul>	<ul style="list-style-type: none"> <li>▪ Government remains committed to fight corruption and up-keeping the rule of law</li> <li>▪ Government continues decentralisation by D-by-D and provides commensurate, reliable resources to LGAs to perform mandated functions</li> <li>▪ Civil society engages actively in procurement monitoring and corruption cases</li> <li>▪ Private sector organisations employ integrity and anti-corruption measures and adhere to procurement standards</li> <li>▪ LGA continue to enhance their systems and capacity in procurement</li> <li>▪ PMO-RALG and HLGTI play their role in coordinating and quality assurance of LGA training and capacity building</li> </ul>
<p><b>Result 1:</b> Capacity to provide long-term support to improved LGA procurement performance strengthened</p> <p><b>Key Activities:</b></p> <ul style="list-style-type: none"> <li>1.1 Development and refinement of procurement manuals and guidelines</li> <li>1.2 Dissemination of updated procurement guides and manuals</li> <li>1.3 Development of professional courses on procurement at higher skill levels</li> <li>1.4 Training of ToT at HLG level; see 5.3</li> </ul>	<ul style="list-style-type: none"> <li>▪ HLG and LLGA procurement operational guides/manuals prepared and disseminated</li> <li>▪ LGA procurement training manuals (2) developed and disseminated to LGAs and RS</li> <li>▪ QTP list for procurement training updated and QTPs conversant with training materials</li> <li>▪ Competences/skills-levels of LGA procurement professionals and practitioners developed and applied in training curricula</li> <li>▪ LGA Procurement Capacity Building Strategy formulated and monitored</li> <li>▪ Outreach capacity of PPRA to LGAs and RAS/LGAMSS increased</li> </ul>	<ul style="list-style-type: none"> <li>▪ LGA Procurement Capacity Building Strategy</li> <li>▪ PPRA reports</li> <li>▪ LGA audit reports (DIA, CAG)</li> <li>▪ LGA training reports</li> <li>▪ Annual report</li> </ul>	<ul style="list-style-type: none"> <li>▪ CAG, IAG and DIA are willing to audit LGA procurement</li> <li>▪ PFMRP build adequate capacity of DIAs</li> <li>▪ All JLPC members are willing and able to participate in JLPC meetings</li> <li>▪ LGAs and Training Entities fully collaborate in procurement training coordination and quality assurance</li> <li>▪ Procurement regulations and guidelines in place per PPA 2011</li> <li>▪ Competences of LGA procurement professionals defined</li> </ul>

<sup>2</sup> Baseline values and targets are specified in the M&E Framework



Intervention Logic	Performance Indicators <sup>2</sup>	Means of Verification	Assumptions
<p>1.5 Provision of Technical Assistance</p> <p>1.6 Strengthening PPRA outreach capacity to LGAs</p> <p>1.7 Increasing appropriateness and coverage of LGA procurement audits by PPRA, DIA and CAG</p> <p>1.8 Strengthening quality assurance and coordination of LGA procurement training</p> <p>1.9 Engaging all stakeholders in dialogue on how to improve LGA procurement performance</p>	<ul style="list-style-type: none"> <li>▪ Coverage and appropriateness of LGA procurement audits increased</li> <li>▪ Capacity of DIA and CAG to assure quality of procurement audits increased</li> <li>▪ Policy dialogue on LGA procurement strengthened</li> <li>▪ All stakeholders increasingly engaged in dialogue on how to improve LGA procurement performance</li> <li>▪ Quality assurance and coordination of LGA procurement training improved</li> </ul>		<ul style="list-style-type: none"> <li>▪ Adequate resources to run the PPRA zonal offices &amp; dissemination centres</li> </ul>
<p><b>Result 2:</b> Systems for monitoring LGA procurement strengthened</p> <p><b>Key Activities:</b></p> <p>2.1 Harmonizing systems and indicators for monitoring LGA procurement compliance and performance</p> <p>2.2 Strengthening Regional Secretariat to provide oversight, monitoring, coaching and follow-up to LGAs on procurement</p> <p>2.3 Support for customization and interfacing of LGA procurement MIS</p> <p>2.4 Support for training of District Internal Auditors in procurement audits and quality assurance</p>	<ul style="list-style-type: none"> <li>▪ Concurrence DIA reports on LGA procurement and contract implementation with CAG and PPRA audits increased</li> <li>▪ Use of customized and interfaced Procurement MIS in selected LGAs increased</li> <li>▪ Procurement monitoring of PPRA, CAG and PMO-RALG increasingly based on similar agreed indicators</li> <li>▪ Concurrence PMO-RALG procurement monitoring reports with PPRA procurement audits increased</li> <li>▪ Adequate follow-up, coaching and advice by RAS/LGAMSS to procurement monitoring in selected LGAs</li> <li>▪ Adequate action as agreed in procurement audit follow-up to weak areas by selected LGAs</li> </ul>	<ul style="list-style-type: none"> <li>▪ PPRA Compliance Reports</li> <li>▪ CAG Reports</li> <li>▪ DIA reports</li> <li>▪ Annual Assessment reports</li> <li>▪ LGAMSS reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ Actors at all levels are committed to harmonization of LGA procurement monitoring and quality assurance</li> <li>▪ RAS/LGAMSS and PMO-RALG provide advice and monitor action taken by LGAs on DIA and CAG/PPRA reports</li> </ul>
<p><b>Result 3:</b> Community members better informed and able to monitor Local Government procurement performance</p> <p><b>Key Activities:</b></p> <p>3.1 Providing guidance and materials to CSOs to increasing skills in tracking, analysing and reporting on LGA procurement</p> <p>3.2 Providing guidance and materials to media (radio, TV, local newspapers etc) to increasing skills in tracking,</p>	<ul style="list-style-type: none"> <li>▪ Community awareness on LGA procurement issues in selected LGAs increased</li> <li>▪ Ability of CSOs to monitor LGA procurement in selected districts and regions increased</li> <li>▪ Media coverage of LGA procurement and contract management issues in selected regions and LGAs increased</li> <li>▪ Skills of LAAC and PPRA on LGA procurement issues, compliance and follow-up increased</li> </ul>	<ul style="list-style-type: none"> <li>▪ PPRA tender portal</li> <li>▪ Annual CSO reports</li> <li>▪ Newspaper reports</li> <li>▪ Radio and TV programmes</li> <li>▪ Interviews with PPRA and LAAC</li> <li>▪ Minutes of Council meetings</li> </ul>	<ul style="list-style-type: none"> <li>▪ CSO and media willing and able to enhance their roles in uncovering procurement malpractices and reporting on these</li> <li>▪ Independence of media and access to information recognized and maintained</li> <li>▪ LAAC committed to meet with PPRA</li> <li>▪ LGAs willing to discuss procurement issues with citizens</li> </ul>

Intervention Logic	Performance Indicators <sup>2</sup>	Means of Verification	Assumptions
<p>analysing and reporting on LGA procurement</p> <p>3.3 PPRAs engages with Local Authorities Accounts Committee to increase skills in LGA procurement issues, compliance and follow-up</p> <p><b>Result 4:</b> Action research on LGA procurement practices, incentives and organizational structures conducted</p> <p><b>Key Activities:</b> 4.1 Conducting action research (gender sensitive) on LGA procurement practices, incentives and organizational structures to inform program design, dialogue and recommendations on policy reform 4.2 Providing follow-up to Action Research 4.3 Assessing methodology, results and impact 4.4 Set-up / maintaining LG Procurement Capacity Database</p> <p><b>Result 5:</b> LGA procurement performance strengthened</p> <p><b>Key Activities:</b> 5.1 Development of LGA procurement skills-development plans 5.2 Capacitation of PMUs in critical procurement areas 5.3 Establishment of procurement Training Teams (ToT/ToC) for procurement training and coaching at HLG and LLG levels 5.4 Support to LGA procurement training in identified areas</p>	<p>Action research findings and recommendations reflected in project design and reviews</p> <p>LGA procurement capacity building strategy formulated</p> <p>Policy recommendations based on (gender sensitive) action research prepared, targeted and communicated</p> <p>LGA procurement capacity data base established and maintained</p>	<ul style="list-style-type: none"> <li>▪ Action Research reports</li> <li>▪ Project reports</li> <li>▪ Mid-Term Review report</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strategic decision-makers are committed to implement research recommendations</li> <li>▪ Stakeholders disclose openly weaknesses and opportunities in the LGA procurement system and process</li> </ul>
<p>LGA procurement performance strengthened</p> <p><b>Key Activities:</b> 5.1 Development of LGA procurement skills-development plans 5.2 Capacitation of PMUs in critical procurement areas 5.3 Establishment of procurement Training Teams (ToT/ToC) for procurement training and coaching at HLG and LLG levels 5.4 Support to LGA procurement training in identified areas</p>	<ul style="list-style-type: none"> <li>▪ LGA Procurement capacity defined, PMU established and capacitated</li> <li>▪ Procurement skills development plans defined</li> <li>▪ Procurement Training Teams established, ToT/ToC trained and functional in selected LGAs</li> <li>▪ Procurement skills and performance in identified low performance areas (record keeping, annual procurement planning and implementation, contract administration, reporting, etc) improved in selected LGAs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Procurement regulatory framework</li> <li>▪ PPRA compliance reports</li> <li>▪ Annual Assessments</li> <li>▪ HLG/LLG LGA training reports</li> <li>▪ Annual Report</li> <li>▪ District plans</li> <li>▪ Training materials</li> </ul>	<ul style="list-style-type: none"> <li>▪ Actors at all levels are committed to increasing LGA procurement performance</li> <li>▪ Implementing institutions adequately staffed and capacitated for LGA procurement CB and training</li> <li>▪ LLG staff qualify to enter LGTI in-service training programmes</li> <li>▪ Reliable LGAs connectivity for web-based FMIS and PMIS</li> <li>▪ PMIS adequately interfaced with PlanRep and Epicor</li> <li>▪ LGAs appoint Training Teams and make resources available for procurement training at all levels</li> </ul>

Intervention Logic	Performance Indicators <sup>2</sup>	Means of Verification	Assumptions
<p><b>Efficient and effective project cycle management</b></p>	<ul style="list-style-type: none"> <li>▪ PIU established, adequately staffed and equipped over project period</li> <li>▪ PIU members meet regularly in formal meeting</li> <li>▪ Project Implementation Manual prepared and adhered to over project period</li> <li>▪ Project reports prepared</li> <li>▪ Project execution (physical and financial) as planned</li> <li>▪ JLPC established and functional over project period</li> <li>▪ Project activities adequately prepared, sourced and implemented and accounted for</li> <li>▪ Implementation Agreements with implementing institutions prepared and in place over project period</li> <li>▪ Project reviews, evaluations and audits executed as scheduled</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project Reports</li> <li>▪ Project Manuals</li> <li>▪ Back-to-Office reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pre-conditions in place</li> </ul>

## 5.4 More Results at a glance

Logical framework's results or indicators modified in last 12 months?	Logical Framework and Budget revised in August 2013
Baseline Report registered on PIT?	Yes
Planning MTR (registration of report)	12/2014 (scheduled)
Planning ETR (registration of report)	05/2017 (estimate)
Backstopping missions since 01/01/2012	Base Line Study (Dec 2012) Technical backstopping (scheduled for May 2014)

## 5.5 "Budget versus current (y-m)" report

See table on next page.

**Project Title: Enhancement of Procurement Capacity of Local Government Authorities**

Fin plan Version: 2013Q4  
 End date (estimating): 31/12/2014  
 Currency: EUR

Amounts in 1000 EUR

	Finance Mode	Forecast 2013 (Version 2013Q4)	Actual Expenses YM	Planning vs Actuals	Est. % exec
<b>A Procurement capacity of local government authorities (procurement) (all levels)</b>		469.91	378.69	80.57	81%
<b>01 PPRA capacity to provide long term support to improved LGA</b>		271.69	221.08	81.31	81%
01 Development & refinement of manuals & guidelines	COGEST	48.57	42.77	87%	87%
02 Dissemination procurement manuals & guidelines	COGEST	0.00	0.00	0.00	0%
03 Development of professional courses	COGEST	0.00	0.00	0.00	0%
04 Training of TTTs at national (NAG) level	COGEST	0.00	0.00	0.00	0%
05 Technical Assistant	REGIE	141.74	142.74	100%	100%
06 Strengthening of PPRA outreach capacity to LGAs	COGEST	44.91	18.22	40%	41%
07 Increasing appropriateness and coverage of LGA procurement audits	COGEST	24.91	9.20	37%	37%
08 Strengthening of quality assurance and coordination of LGA procurement training	COGEST	2.00	0.00	0%	0%
09 Engaging all stakeholders in dialogue on how to improve LGA procurement performance	COGEST	12.00	12.15	101%	101%
<b>02 Strengthened systems for monitoring LGA procurement</b>		9.50	0.00	0%	0%
01 Harmonising systems & indicators for monitoring compliance at LGA level	COGEST	1.50	0.00	0%	0%
02 PNO-RALG strengthen RIS	COGEST	2.00	0.00	0%	0%
03 Support for customization and interfacing of procurement MIS	COGEST	0.00	0.00	0%	0%
04 Support for training of RAS and District Internal Auditors in procurement audits and cost	COGEST	0.00	0.00	0%	0%
<b>03 Civil society and media oversight of LGA procurement is supported</b>		3.00	0.90	30%	30%
01 PPRA provides guidance and materials to CSO	COGEST	3.00	0.90	30%	30%
02 PPRA provides guidance and materials to media	COGEST	0.00	0.00	0%	0%
03 PPRA engages with the Parliament/LAAG	COGEST	0.00	0.00	0%	0%
<b>04 Action research, innovative and organizational structure</b>		36.38	18.72	51%	49%
01 Action research on LGA procurement practices, incentives and organizational structure	COGEST	21.48	14.19	66%	45%
02 Follow up to action research	COGEST	0.00	0.00	0%	0%
03 Assessment of methodology, results and impact	COGEST	0.00	0.00	0%	0%
04 Set up and maintaining of LGA Procurement Capacity Database	COGEST	4.79	3.28	69%	69%
<b>05 LGA procurement performance strengthened</b>		8.50	0.00	0%	0%
01 Formulation and updating of LGA procurement skills development plans	COGEST	9.00	0.00	0%	0%
02 PRA's conduct case in critical procurement areas	COGEST	1.50	0.00	0%	0%
03 Establishment of procurement testing teams (TTTTC) for transacting of LGAs	COGEST	0.00	0.00	0%	0%
04 Support to LGA procurement training in districts areas	COGEST	0.00	0.00	0%	0%
<b>Budgetary reserve</b>		0.00	0.00	0%	0%
01 Budgetary reserve		0.00	0.00	0%	0%
01 Budgetary reserve CO-MANAGEMENT	COGEST	0.00	0.00	0%	0%
02 Budgetary reserve OAN-MANAGEMENT	REGIE	0.00	0.00	0%	0%
<b>Operational costs</b>		198.22	157.61	79%	79%
<b>01 Staff expenses</b>		55.21	57.68	104%	104%
01 Financial Controller	REGIE	28.82	28.82	100%	104%
02 Accountant	REGIE	9.12	9.62	105%	105%
03 Secretary	REGIE	9.70	9.10	93%	105%
04 Driver	REGIE	11.57	12.43	107%	105%
05 Recruitment costs	REGIE	0.00	0.00	0%	0%
<b>02 Investments</b>		1.19	0.69	58%	58%
01 Vehicles	REGIE	0.00	0.00	0%	0%
02 Office equipment	REGIE	1.19	0.69	58%	58%
03 IT equipment	REGIE	0.00	0.00	0%	0%
04 Office improvement works	REGIE	0.00	0.00	0%	0%
<b>03 Operational expenses</b>		55.30	50.11	90%	90%
01 Services and maintenance costs	REGIE	4.87	7.93	162%	170%
02 Vehicle running costs	REGIE	3.37	3.30	97%	98%
03 Telecommunications	REGIE	1.78	1.32	74%	74%
04 Office supplies	REGIE	1.03	0.92	89%	89%
05 Missions	REGIE	10.75	9.74	90%	90%
06 Representation and external communication costs	REGIE	0.00	0.00	0%	0%
07 Training	REGIE	0.50	0.28	56%	56%
08 Consultancy costs	REGIE	29.65	23.65	80%	80%
09 Financial costs	REGIE	0.52	0.51	98%	98%
10 Other operational expenses	REGIE	2.34	2.34	100%	100%
11 Financial costs	COGEST	0.38	0.18	47%	42%
<b>04 Audit and Monitoring and Evaluation</b>		30.11	30.11	100%	100%
01 Monitoring and Evaluation costs	REGIE	0.00	0.00	0%	0%
02 Audit	REGIE	0.00	0.00	0%	0%
03 Baseline	REGIE	30.00	30.00	100%	100%
04 Backscoping	REGIE	0.11	0.11	100%	100%
<b>05 Conversion rate adjustment</b>		0.00	0.00	0%	0%
01 Conversion rate adjustment	REGIE	0.00	0.00	0%	0%
02 Conversion rate adjustment	COGEST	0.00	0.00	0%	0%
	REGIE	283.72	281.18	99%	99%
	COGEST	122.19	97.51	80%	81%
<b>TOTAL</b>		469.91	378.69	80.57	81%

## 5.6 Communication resources

The Project brochure has been prepared (in English and Swahili) and distributed to stakeholders at national and district level.

The main technical outputs of the Project are the Project Baseline Study report (February 2013) and the Local Government Capacity Building Formulation Workshop report (June 2013).

Developed tools and instruments include:

- Procurement Capacity Needs Questionnaire for PMUs and RAS/LGAMSS;
- Procurement Capability Assessment instrument for Lower Local Government Authorities;
- Local Government Procurement Capacity Data Base; and
- Action research methodology for procurement in LGAs.

Technical Specifications include:

- ToR and tender dossier for Consultancy services for development of LGA operational procurement manual;
- ToR and tender dossier for Consultancy for development of procurement guide for outsources revenue collection in LGAs;
- ToR and tender dossier for Consultancy for development of procurement guide and manual for Lower Local Governments;
- ToR and tender dossier for Consultancy for refinement and development of LGA procurement training manual;
- ToR and tender dossier for 'on-call' advisory services in three Lots under indefinite service delivery arrangement;
- Tor for Action research 2013/14 in selected LGAs;
- ToR for Consultancies for Formulation of LGA procurement skills development plans;
- ToR and tender dossier for Enhanced system for support by RS/RAS office to LGA procurement;
- Specifications (BoQs and drawings) and tender dossier for renovation of two zonal offices (PPRA);
- ToR for pre-contract and post-contract services;
- Process ToR for the LG procurement capacity building formulation workshop and preparation of technical presentations; and
- ToR and tender dossier for Consultancy services for procurement Capability Assessment of Lower Local Governments in Kongwa District.

A total of 12 missions were conducted with back-to-office reports which are shared between members