TECHNICAL & FINANCIAL FILE

“ENHANCEMENT OF PROCUREMENT CAPACITY OF LOCAL GOVERNMENT AUTHORITIES”

TANZANIA

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THE BELGIAN DEVELOPMENT COOPERATION .be

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Abbreviations

AfDB	African Development Bank
ALAT	Association of Local Authorities of Tanzania
BTC	Belgian Development Agency
CAG	Controller and Auditor General
CBE	College of Business Education
CBG	Capacity Building Grant
CDG	Capital Development Grant
CPAR	Country Procurement Review Assessment Report
CSO	Civil Society Organization
D-by-D	Decentralization by Devolution
DGDC	Directorate-General for Development Cooperation
DPs	Development Partners
FGD	Focus Group Discussion
FR	Formulation Report
FY	Financial Year
GPSA	Government Procurement Services Agency
HLG	Higher Local Government
ICT	Information, Communication and Technology
IDCP	Indicative Development Cooperation Program
IFMIS	Integrated Financial Management System
JICA	Japan International Cooperation Agency
LAAC	Local Authorities Audit Committee
LGA	Local Government Authority
LGDG	Local Government Development Grant
LGRP	Local Government Reform Program
LGCDG	Local Government Capital Development Grant
LGTI	Local Government Training Institute
LLG	Lower Local Government
LTI	Lead Training Institution
M&E	Monitoring and Evaluation

MC	Minimum Conditions
MDAs	Ministries, Independent Departments and Agencies
MKUKUTA	National Strategy for Growth and Reduction of Poverty
MOFEA	Ministry of Finance and Economic Affairs
NACTE	National Council for Technical Education
NAO	National Audit Office
NGO	Non-Governmental Organization
OECD/DAC	Organisation for Economic Cooperation and Development: Development Assistance Committee
OPRAS	Open Performance and Review System
PAF	Performance Assessment Framework
PCCB	Prevention and Combating of Corruption Bureau
PE	Procuring Entity
PETS	Public Expenditure Tracking Survey
PFM	Public Finance Management
PFMRP	Public Financial Management Reform Programme
PMO-RALG	Prime Ministers Office Regional Administration and Local Government
PMU	Procurement Management Unit
PO-PSM	President's Office Public Service Management
PP	Public Procurement
PPA	Public Procurement Act
PPAA	Public Procurement Appeals Authority
PPRA	Public Procurement Regulatory Authority
PSC	Public Service College
PSPTB	Procurement and Supplies Professionals and Technicians Board
PSRP	Public Sector Reform Program
QCC	Quality Control Committee
QTP	Qualified Training Providers
RS	Regional Secretariat of PMO-RALG
SC	Steering Committee
SIDA	Swedish International Development Cooperation Agency
TIA	Tanzania Institute of Accountancy

ToR	Terms of Reference
TOT	Training of Trainers
TFF	Technical and Financial File
WB	World Bank

Executive summary

The 'Enhancement of Procurement Capacity of Local Government Authorities' project will provide support to the Tanzanian Government for institutionalised improvement of procurement capacities of LGAs. It aims to achieve this objective through a four-pronged approach:

(i) **Measures to enhance the capacities of central institutions responsible for LGA procurement capacity building and oversight** (the Public Procurement Regulatory Authority, the Prime Minister's Office-Regional Administration and Local Government, and the Hombolo Local Government Training Institute);

(ii) **Support to government institutions and procedures for monitoring and supervising LGA procurement performance** (PPRA, Regional Secretariats, and PMO-RALG);

(iii) **Measures to strengthen the 'demand' for better LGA procurement performance**, through support to civil society and media oversight of LGA procurement

(iv) **Action research to inform policy dialogue with the Tanzanian government** on improvement and reform LGA procurement practices

The interventions underscore the project's intention of supporting long term and institutionalised modalities for continued capacity development of LGAs.

The project will contribute to the policy objectives of the Government of Tanzania at different levels:

At the **general development policy level**, it will support Cluster 3 (Governance and Accountability) of the Tanzanian National Strategy for Growth and Reduction of Poverty, MKUKUTA II, by contributing to build capable and accountable local governments, enhancing their transparency and responsiveness, and strengthening procurement performance and value for money in use of resources;

At **sector level**, it will support the Tanzania Government's 'Decentralization by Devolution' policy, and will contribute to the objectives of the Public Procurement Act, in particular to increase local government compliance with the PPA, improve PPRA's operational and outreach capacity, and foster PPRA partnering and networking.

The project will also contribute to achieving the Belgian Government's strategy in Tanzania, outlined in the Indicative Development Cooperation Program (2010-2013), in which the Belgian Government reconfirmed its strong commitment to implementing MKUKUTA, and identified Local Government Reform as one of two priority sectors. The project complements the ongoing Belgian contribution to the Local Government Development Grant System (LGDGS), a basket fund to support the Local Government Reform Program, as well as building procurement capacity.

Intervention framework

The overall objective of the project is: *"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".*

The specific objective is: *"Procurement capacity at local government level is sustainably enhanced".*

The strategy of the project is based on 5 complementary components, which have been formulated as follows:

1. Support to PPRA and Hombolo LGTI for LGA procurement capacity building
2. Strengthening government systems for monitoring LGA procurement performance
3. Support to civil society and media oversight of LGA procurement
4. Action research to inform policy dialogue on LGA procurement practices, incentives and organizational structures
5. Technical Assistance for the implementation of the above components

Direct beneficiaries include: at LGA level (i) Procurement Staff in Procurement Management Units and Higher Local Governments, (ii) Financial management staff at the LGA and Lower Local Government levels. At the national level: (i) PPRA, (ii) PMORALG and the Regional Secretariats, (iii) Hombolo LGTI and (iv) Media/CSOs.

Indirect beneficiaries include local communities and the private sector, who will benefit from improved transparency, value for money and accountability of LGA procurement.

The Action Research (component 4) envisaged during the Inception and early implementation stages of the Project will be implemented in 6 case study areas in selected areas where GoT is already implementing projects with the support of the Belgian Government.

On the basis of the experience garnered during this pilot phase (and discussion among the Joint Partners Local Committee), the project will be scaled up.

Implementation modalities

The project will be anchored at the PPRA, and a Project Implementation Unit comprising seconded staff from PPRA and PMO-RALG (as well as support staff) will be located at PPRA. Since PMO-RALG is responsible for overall coordination of LGA training and capacity building, PPRA will collaborate with PMO-RALG throughout the project. PMO-RALG will assign a Liaison Officer to coordinate and work closely with the PPRA on issues related to the project.

A Joint Local Partner Committee will be created at the signature of the Specific Agreement. It represents the highest level of strategic decision-making with regard to the implementation of the project. The principal role of the Steering Committee will be to ensure that the project follows the procedures and principles contained in the Technical and Financial File, to flag any potential internal and external bottlenecks that might

jeopardize the project from achieving its results, and take decisions accordingly.

A Project Implementation Unit comprising seconded staff from PPRA and PMO-RALG will be established to manage implementation. This will comprise BTC contracted personnel (an International Sector Expert, a Financial Controller, and a Project Accountant), as well as PPRA and PMO-RALG staff working full- and part-time on the project.

An organizational assessment will be carried out during the first six months of the project, to validate the institutional arrangements and capacity for implementation. In addition, as part of the Action Research Component (4), a detailed roadmap for the project will be prepared during the Inception phase (first year), with a view to informing and shaping the project design. This will contain (a) a needs assessment of capacity building needs (b) a proposed program for the capacity building to be delivered under the project and (c) detailed modalities of how to deliver the training in a practical, cost-efficient way. During the Inception Phase, Terms of Reference for the Action Research will be drawn up by the PIU together with BTC, for review by the JLPC. These will describe the content and purpose of the research, as well as the profile of the consultants who will conduct it. The profile of the consultant should be oriented towards practical (rather than theoretical) skills in devising a cost-efficient program of capacity building in Tanzania.

Analytical record of the intervention

DGDC intervention number	3011487
Navision code BTC	TAN 11 026 11
Partner institution	Public Procurement Regulatory Authority (PPRA) and Prime Minister's Office – Regional Administration and Local Government (PMO-RALG)
Duration of Specific Agreement	Specific Agreement of 6 years. CMO of 5 years for 60 months of implementation of project activities (4 years + 6 months Inception + 6 months Closure)
Estimated starting date of intervention	1st April 2012
Partner's contribution	EUR 264,000 (in kind)
Belgian contribution	EUR 5,000,000
Intervention sectors	15120 Public Financial Management; 1 Gender; 0 Environment
Overall Objective	Ensuring systems and structures of governance uphold the rule of law and are democratic, effective, accountable, predictable, transparent, inclusive and corruption free at all levels
Specific Objective	Procurement capacity at local government level is sustainably enhanced

1 Situation analysis

1.1 National Policies and Institutional Framework

1.1.1 Tanzanian general policy framework

In November 2010, the Government of Tanzania finalized a new five-year (2010/11-2014/15) national strategy for growth and poverty reduction, known as MKUKUTA II. MKUKUTA II is based on Tanzania's Development Vision 2025, which aims to transform Tanzania into a middle-income country by 2025.

MKUKUTA II focuses on three clusters: (i) growth and reduction of income poverty; (ii) improvement of quality of life and social wellbeing; and (iii) good governance and accountability. **Cluster III: Governance and Accountability** recognizes good governance as fundamental for economic growth and poverty reduction. In the past years, institutional ineffectiveness has led to low absorption of public funds and poor delivery of services. MKUKUTA II identifies core reforms to strengthen institutional performance and address governance challenges. Those include strengthening public finance management and value for money in use of resources, ensuring a responsive and performance-based public service administration, capable local government, fighting petty and grand corruption, and enhancing the institutional and human resource capacity of each pillar of the state for the proper execution of its functions. Other goals under Cluster III include the improvement of public service delivery, with a special emphasis on the poor and vulnerable.

1.1.2 Tanzanian Sector Policies, Legislation and Strategies

1.1.2.1 Decentralisation Policy (Decentralisation by Devolution)

In 1998, the Government of Tanzania embarked on a Local Government Reform Program (LGRP) supported by donors (including Belgium) since 2000 through a basket fund. This program seeks to implement the Government's decentralization policy, 'Decentralization by Devolution', elaborated in the 1998 Policy Paper on Local Government Reform. The overall objective of decentralization in Tanzania is to improve quality and access to public services, and to increase participation in democratic local governance. This would contribute towards achieving Tanzania's national poverty reduction goals, outlined in MKUKUTA, Vision 2025 and its Poverty Reduction Strategy Paper.

Four main aspects of decentralization were identified in the Policy Paper:

- Political decentralisation – the creation of multi-functional governments at the local level
- Financial decentralisation – discretionary financial powers and central government supplying unconditional and other forms of grants
- Administrative decentralisation – making local government staff accountable to local councils
- Changed central-local relations – an effective system of inter-governmental relations

The first phase of the LGRP focused on the reform of the systems for Local Government (LG) finance, human resources and legislation. The second phase of the Local Government Reform Program, LGRP II (2008-2013) puts a major focus on capacity development of LGAs.

MKUKUTA recognised the key role of Local Government Authorities in providing public services; LGAs were identified as key actors in 80% of the cluster strategies. Local Government reform is part of a broader programme of political and economic reform in Tanzania, and is closely linked with the Public Financial Management Reform Programme (PFMRP – see below).

1.1.2.2 Local Government Development Grant

The LGRP did not initially include support to LGAs for development funding or targeted capacity building. Therefore in 2004, the Government introduced the Local Government Capital Development Grant (LGCDG) system, as a mechanism for providing funding to LGAs for development and capacity building.

The LGCDG is a system to provide discretionary grants to LGAs for development and capacity building according to a formula and an annual assessment of their performance. The annual assessment measures LGA capacities in key functional areas (such as planning, procurement, budgeting, financial management, revenue generation) as well as governance aspects (transparency, accountability and participation). LGAs that meet basic 'Minimum Conditions' are eligible to access the Capital Development Grant (CDG), while all LGAs are given the Capacity Building Grant (CBG) that enables them to build their capacity to access the development fund.

The LGCDG system introduced both a source of funding for capacity building, and an incentive for LGAs to enhance their performance and capacity, through the upward or downward adjustment of their annual grant allocations, depending on their performance against a set of Performance Measures. In this way, the Government established a link between the financing of local government, their capacity development, and their performance in key functional and governance-related areas.

Every year, a capacity assessment is carried out to identify those LGA's who are eligible for one of both grants (an independent consultancy firm, contracted by PMO-RALG, manages this assessment). With regard to this project, it is important to mention that the Minimum Conditions, Performance Measures and Annual Assessment include measurements of performance in public procurement, thus providing a source of funding to build their capacity and an incentive for LGA's to work on public procurement capacity[1].

1.1.2.3 Procurement Policy

The 2003 Tanzania Country Procurement Assessment Report (CPAR 2003) recommended a transition from a centralized to a decentralized procurement system in Tanzania. Under the Public Procurement Act (PPA) of 2004, procurement was decentralized to LGAs. The PPA also established the Public Procurement Regulatory

1 PMO-RALG; "Manual for the assessment of councils against minimum access conditions and performance measurement criteria"; Retrieved from: http://www.logintanzania.net/docs/lgcdg_manual.pdf on April 28 2011

Authority (PPRA) and the Public Procurement Appeals Authority (PPAA)[2]. According to the 2004 PPA, PPRA's main objectives are to set standards for procurement, monitor compliance of procuring entities, and build procurement capacity in collaboration with the relevant professional bodies. The two last objectives of PPRA are of particular relevance to this project.

PPRA's Medium Term Strategic Plan was designed to address the following critical policy and capacity issues:

- Linking of public procurement management to national economic growth and poverty reduction (MKUKUTA) objectives;
- Linking of public procurement management to national anti–corruption drive;
- Increasing Procurement Entities (PEs) compliance with the PPA 2004, Regulations and tools developed by PPRA;
- Increasing PEs' and Bidders' proactive demand for and responsiveness to the PPRA services;
- Harmonization and rationalization of the national public procurement, legal and regulatory regime;
- Harmonization and rationalization of and advocacy for the procurement complaints handling system;
- Professionalization of the procurement function;
- Deepening citizenry appreciation of the value for money in public procurement;
- Improving PPRA's operational and outreach capacity;
- Ensuring PPRA's financial capacity and sustainability; and
- Fostering PPRA networking and partnering

1.2 Institutional framework of the sector

1.2.1 Government departments, authorities and agencies

1.2.1.1 PPRA

As outlined above, the PPA of 2004 established the Public Procurement Regulatory Authority (PPRA)[3]. According to the 2004 PPA, PPRA's main objectives are to set standards for procurement, monitor compliance of procuring entities, and build procurement capacity in collaboration with the relevant professional bodies. The two last objectives of PPRA are of particular relevance to this project.

The following **gaps in PPRA's existing ability to enhance LGA procurement capacity** can be identified.

In terms of its role in **monitoring compliance**, PPRA's in-house capacity is limited by financial and staffing constraints. Based on the PPRA annual reports for FY 2007/08 and FY 2008/09, current PPRA capacity to perform new annual LGA audits on its own budget is estimated at 10 to 20 LGAs (of a total of 133 LGAs in Tanzania).

2 http://www.ppra.go.tz/

3 http://www.ppra.go.tz/

This capacity limitation is clearly reflected in the number of audits that PPRA undertook in the last 3 years[4].

	Number of normal audits executed	Number of Follow up audits executed
FY 2007/08	34	0[5]
FY 2008/09	13	17
FY 2009/10	42	40

Source: PPRA Annual reports for FY 07/08, FY 08/09, FY 09/10

PPRA plans to expand its ability to monitor LGAs by increasing its staffing levels from the current 51 to 143 staff, and by building four zonal offices from which to monitor LGAs. However, both plans are currently on hold, pending approval by the President. There is a need to increase the incentives for LGAs to perform their procurement functions correctly, by increasing monitoring of compliance.

The annual performance report of PPRA assessing the procurement performance of Procuring Entities is released in September and a copy is sent to the **Controller and Auditor General** (CAG). The CAG uses information in this report in the audit of institutions, which contributed to the improved coverage of procurement issues in the audits.

During FY 2008/2009, PPRA executed 13 procurement audits of LGAs to assess whether procurement and contracting procedures and documentation comply with the provisions of the PPA 2004, Cap 410 and the standard documents prepared by PPRA. The PPRA audits also verified whether the procurement carried out by targeted LGAs achieved the expected economy and efficiency (value for money).

The audits identified several weaknesses were identified in procurement practice of LGAs:

- 46% of audited LGAs did not have properly established PMUs
- 47% of audited LGAs did not have Annual Procurement plans in place
- 32% of audited LGAs were not using Standard Tendering Documents
- 53% of audited LGAs had poor record keeping on procurement
- 56% of audited LGAs had poor Quality Control mechanisms and poor contract management
- The FY 2009/2010 compliance report revealed the following level of procurement compliance at LGA level:

4 The increased number of audits for FY 2009/10 reflects extra funding from the AfDB to perform additional audits.

5 This was the first year of PPRA audits – thus not possible to conduct follow up audits.

- 38% of audited LGAs had properly established and staffed PMUs (decline from 2008-09)
- 30% of audited LGAs had prepared Annual Procurement plans (decline from 2008-09)
- 34% of audited LGAs were managing contracts in compliance with the regulations (decline from 2008-09)
- 35% of audited LGAs had poor record keeping on procurement (improvement on 2008-09 findings)

In terms of its **capacity building** role, PPRA has developed guidelines and training materials (dating from 2006) for HLG procurement. However, these are outdated, and actual outreach to LGAs is limited: during the last FY, PPRA trained a total of 1,906 procurement staff, a figure which includes both procurement staff in central government ministries and agencies, and LGAs (these trainings were mostly funded with money from the AfDB).

PPRA does not yet have any formal working relationship with PMO-RALG, which has lead responsibility for LGAs, and has no formal working relationship with capacity building institutions. It has not yet signed a MoU with PMO-RALG[6] or in a coordinated manner started implementation (or updating) of its capacity building strategy for LGAs[7].

In addition, to date the outreach of PPRA has been limited to Higher Local Governments. LLGs have not been targeted due to limited PPRA capacity.

There is therefore a need for PPRA to extend its outreach to both HLG and LLG, and to develop and update its manuals and guidelines for LGA procurement. This may inter alia include:

- Preparation of Procurement Operational Manual for LGAs for internal control.
- Updating existing standards and training manuals.
- Guidelines for LLG (community level) procurement including guidelines for school committees, and other lower level user committees (beach management units, health committees, water committees, farmers groups etc.

Furthermore, PPRA can contribute to the revision of local government standardised training courses currently being carried out at Hombolo Local Government Training Institute (LGTI – see below). The LGTI falls under PMORALG and is supported by JICA. These standardised courses include procurement but at a basic skills level

6 PPRA recently signed an MoU with PCCB and CoST.

7 Please see Annex 5 of the December 2006 report referenced in the bibliography: URT, MOF/PPRA 2006: Study to Assess capacity Building Needs in all MDAs, LGAs and specialised bodies to establish procurement training capacity available in the country and develop a capacity building training strategy, by Price Waterhouse Coopers in association with Charles Kendalls partners, 2006.

1.2.1.2 Prime Minister's Office-Regional and Local Government

The broad functions of PMO-RALG include "facilitation" of LGAs to provide quality services, managing the critical interfaces between Ministries and Development Partners and Local Government Authorities (LGAs), formulating policies, monitoring support provided by Regional Secretariats (RS) to LGAs, as providing advice to LGAs on policies, approaches, systems and planning methodologies, and supporting capacity building at LGA level.

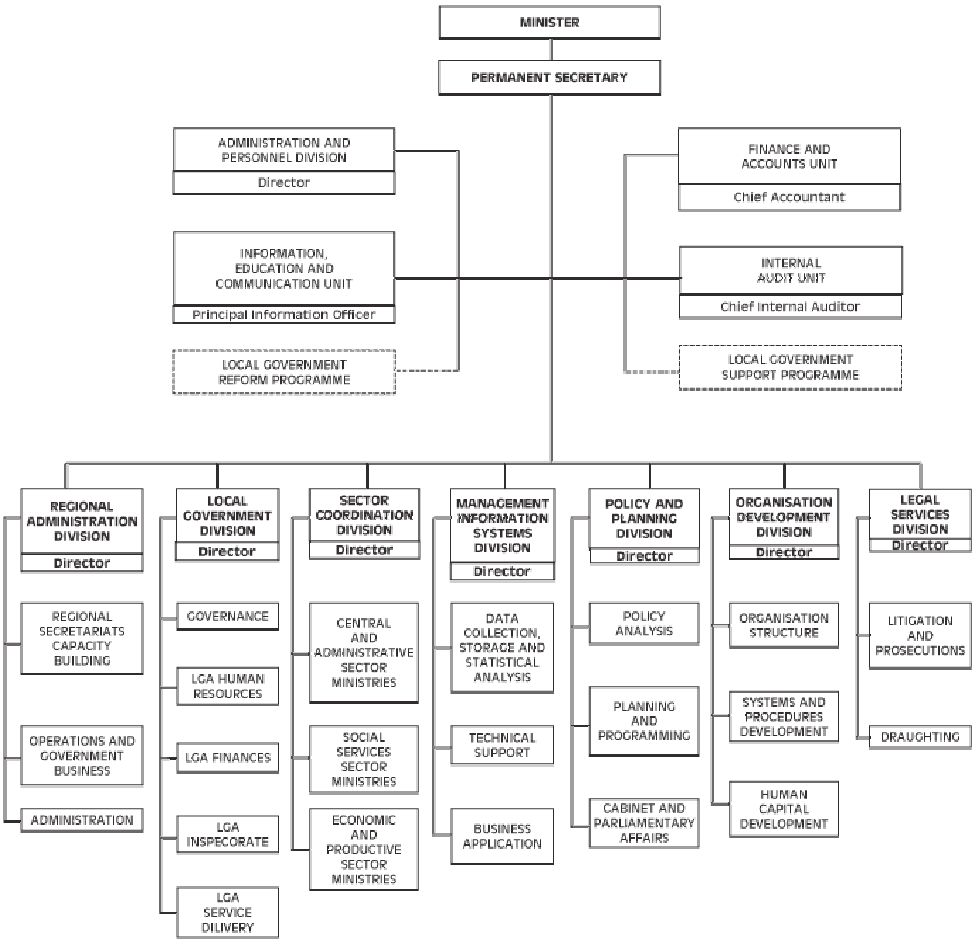
PMO-RALG has recently delegated some of its responsibilities for LGA capacity building to Hombolo Local Government Training Institute, and several LG capacity building interventions are planned under LGRP.

For the proposed project, however, it is clear that **PMO-RALG plays a key role in:**

- Overall coordination of LGA training and capacity building;
- Monitoring aspects of LGA procurement operations, through the Inspectorate department of PMO-RALG;
- Monitoring and backstopping LGAs through Regional Secretariats, including follow-up on PPRA procurement audits, as well as follow-up on findings by CAG on procurement issues,
- Disciplinary actions for LGA staff found to be involved in procurement misconduct;
- In collaboration with MoFEA (and PO-PSM), assisting LGAs to be well staffed with qualified Procurement Management Unit personnel to the required number of staff per LGA.

PMO-RALG will also play a role under the project in the development and refinement of manuals and guidelines, the dissemination of updated procurement manuals and guidelines to LGAs and Regional Secretariats, the development of courses for procurement at higher skills levels, developing training materials targeted to the Lower LGA level, strengthening RS to provide oversight and support to LGAs, and developing TORs for the action research under component 4 (see Chapter 3 below).

Figure 1: PMORALG Structure



1.2.1.3 Regional Secretariats

The Tanzanian Constitution stipulates three levels of Central Government administrative units: Regions, LGAs and Divisions[8]. Presently, there are 21 Regions and 133 LGAs (according to information received during the mission, this number will be increased by 29 new LGAs in the coming years). Each Region is headed politically by a Regional Commissioner (RC), while the head of the Civil Service at that level is the Regional Administrative Secretary (RAS).

At LGA level, the LGA Commissioner (DC) is the principal assistant to the Regional Commissioner, and the LGA Administrative Secretary (DAS) serves as head of the LGA

8 The division of the territory into administrative units is the prerogative of the President of the United Republic as stipulated under article 2(2) of the Constitution of the United Republic and guided by The Regions and LGAs (Establishment Procedure) Act No. 12 of 1994.

Civil Service[9].

In terms of their **role in supporting LGAs,** the Regional Administration is envisaged to provide LGAs with strengthened capability, a multi-skilled technical resource for supporting local development initiatives, and a link between Central Government Ministries, Departments and Agencies (MDAs) and Development Partners, on the one hand, and the Local Government Authorities (LGAs), on the other. The Regional tier of government is intended to perform the two major roles of Development and Administration.

In as far as the Development role is concerned, it centres on building the capacity of, and backstopping, the LGAs in the performing the mandated roles[10]. Its department have a broad mandate for LGA oversight, supervision and support, and should serve to facilitate and backstop LGAs in delivering public services, including in procurement.

To date, there has been little support for RS to carry out their roles, and they lack adequate skilled human resources and facilities to support LGAs effectively.

The ongoing Local Government Reforms have introduced a new relationship between the Regions and the LGAs, whereby Regions are now charged with the role of policy interpretation, advice, coordination, monitoring, enforcement and creation of an enabling environment for the LGAs to discharge their duties.

1.2.1.4 Higher and Lower Local Governments (HLGA)

As mentioned above, Tanzania has 133 Higher LGAs (including both rural and urban councils), up to 900 Lower Local Governments (Wards), and more than 10,000 Villages. Higher LGAs are designated as Procuring Entities (PEs), with responsibility for procurement outlined in the Public Procurement Act of 2004. According to this mandate, they have the right to procure within the requirements imposed by the PPA. These require LGAs to prepare a Procurement Plan; and to establish a Procurement Management Unit (PMU), which should be sufficiently staffed with technical personal and able to assist the Tender Board in preparing procurement documents.

The table below gives an overview of the staff at HLG level with procurement responsibility.

[9] Until recently, Divisional Secretary, which was a political post, headed the Division but this is being transformed into a Civil Service post whose title is still being debated.

[10] The RS performs this role through four clusters, each headed by an Assistant Administrative Secretary (AAS), all of who report to the RAS. The clusters are (i) Management Support Services, (ii) Economic Development Support Services, (iii) Physical Planning and Engineering Support Services and (iv) Social Sector support Services.

Higher LGA staff with procurement roles

Level	**Department/section/Committee**	Number of staff
LGA	PMU	3-4
	Heads of departments/ management	8-10
	Council Chairperson and members(s) of Finance Committee	2-4
	Internal Audit	1-3
	Audit Committee	7
Sub-total per LGA		21-28

While Lower Local Governments are not designated as Procuring Entities, in practice, considerable procuring authority can be delegated to LLGs by the HLGA Accounting Officer/Chief Executive Officer. This delegation is in accordance with the provision of the PPA 2004, stipulating that an Accounting Officer or Chief Executive may delegate the procurement function of a Procuring Entity to:

(a) a sub-division of that entity; or

(b) another procuring entity; or

(c) a third party procurement agency, in accordance with the terms and conditions specified in Regulations made under this Act.

Assessments of LGA procurement capacity, including the Annual Assessment of LGA capacity (part of the LGCDG system), and OECD/DAC/PPRA assessments of Tanzania's procurement capacity (Assessment of Tanzania's Procurement System 2007), identify the following **gaps in LGA procurement capacity**:

- Many LGAs have established their **Tender Boards** in accordance with the requirements of the PPA 2004, but these have limited capacity to adjudicate and make appropriate decisions on complex tenders.
- LGAs are required to have fully staffed **Procurement Management Units**, but these often comprise staff drawn in from various departments (making accountability problematic). Many LGAs have not yet provided the necessary working conditions for PMUs to be functional. In many LGAs, staffs working in PMUs and User Departments lack the necessary knowledge and skills for managing procurement.
- There is little **awareness of the respective roles and limits of powers** and responsibilities of the Councillors (politicians), Executive Directors, LGA Tender Boards, PMUs and User Departments in respect of public procurement.
- **Lower Local Governments** (LLGs) lack adequate appropriate guidance and capacity building on procurement. Recent CAG audits show that serious issues exist at LLG regarding procurement. LLGs are often responsible for up to 50% of local government procurement under the CDG. LLG capacity constraints are present both at the level of individual performance, in the procedures and processes of procurement, and level of mentoring/monitoring by LGAs.

- Clarifying the respective roles of LGA staff in procurement, and **strengthening their incentives to improve performance** and comply with procurement regulations, are critical factors in improving procurement performance in LGAs
- LGA Internal Auditors are not adequately equipped to carry out their responsibilities (eg less than half have the required vehicles)

1.2.1.5 Government Procurement Services Agency (GPSA)

The Government Procurement Services Agency (GPSA) is responsible for procurement, storage and distribution of stock items for re-sale to government and non-government institutions; provision of clearing and forwarding services and warehousing facilities; and procurement of common-use items and services by Ministries, Independent Departments and Agencies (MDAs) and Local Government Authorities (LGAs) using framework contracts.

LGAs could benefit from the use of existing framework contracts to lessen the operational burden on existing PMUs. However, up until now, LGAs still only make very limited use of the system of framework contracts. To promote the use of its services, GPSA has recently concluded a countrywide information dissemination programme.

1.2.1.6 Procurement and supplies Professionals and Technicians Board (PSPTB)

The mandate of the PSPTB is to accredit training institutes to allow them to give procurement training to government officials[11]. This certification is done in support of PMO-RALG. PSPTB also certifies procurement practitioners after examination, registering them in their database.

A key capacity challenge for PSPTB is to strengthen its system of examination of procurement practitioners, and to improve the (use of) database of registered certified procurement practitioners. Examinations might be used for motivation/promotion of public procurement staff in LGAs

1.2.1.7 National Audit Office

The National Audit Office (NAO) is responsible for undertaking external financial and performance audit of all government entities, public authorities and other bodies at least once a year. In addition, NAO is required to carry out Performance Audit on the economy, efficiency and effectiveness in the use of public money and other resources.

The NAO recently signed a MoU with PPRA to strengthen collaboration between both organisations. Currently, PPRA is sharing audit findings to be added into the NAO annual report.

In terms of **internal audit capacity**, the Government has created a position of Internal Auditor General to deal with internal audit in the government (central and local government). There is also the position of Assistant Internal Auditor General responsible for local government. At LGA level the PPRA is developing a checklist for internal auditors

[11] This certification does not relate to the *quality* of the training, as this is monitored by the National Council for Technical Education, NACTE

to assist them to follow up issues on procurement. This will strengthen internal control over procurement in LGAs.

LGA Internal Auditors are not adequately equipped to carry out their responsibilities (eg less than half have the required vehicles)

1.2.1.8 Preventing and Combating of Corruption Bureau (PCCB)

The PCCB is a law enforcement institution established and mandated by the Prevention and Combating of Corruption Act No. 11 of 2007 to prevent corruption, raise awareness on the impact of corruption, and enforce the law against corruption. The Bureau adopts the three-prong approach to this mandate, namely prevention, public awareness, investigation and prosecution of offenders.

In terms of its activities at LGA level, PCCB has trained 130 LGA 'Integrity Committees' to monitor and report malpractice and corruption. PCCB can play a role in working with PPRA to monitor LGA procurement. PCCB LGA Officers can collaborate with PPRA to provide guidance and training to LGA Tender Boards on procurement procedures.

1.2.2 Government-donor programs

1.2.2.1 Public Financial Management Reform Program

The PFMRP, launched in 1998, aims to improve delivery of public services and promote macroeconomic growth and stability through strengthened financial control, enhanced accountability, reform to budget processes and the introduction of a computerized Integrat ed Financial Management System (IFMIS).

In terms of its activities at LGA level, PFMRP is focusing its capacity building interventions on central government institutions, whereas LGRP focuses on LGAs (see below). PFRMP support to procurement reforms and capacity building is implemented through PPRA.

However, PFMRP supports policy and institutional reform of critical importance to enhanced LGA capacities for procurement, including broad legal reforms and development and roll-out of IFMIS (EPICOR) at LGA level, in collaboration with LGRP (see below).

The PFMRP has facilitated a revision of the 2001 Public Finance Act, which provides the Accountant General with greater oversight powers over local government finances (required changes to the Local Government Finance Act have yet to be passed by Cabinet).

In terms of capacity building, the **Public Service College** is the training institute identified by PFMRP to provide training on financial management, procurement, accounting, planning etc to all civil servants, including at LGA level. This would be funded under the PFMRP and the PSRP.

PFMRP management expresses scepticism regarding the current "workshop" style of training and dissemination of new procurement practices. It was suggested that more

emphasis should be given to standardised training provided through the Public Service College. A proposal for such training (including for LGAs) is likely to be included in the revised programme document for the new five-year programme to start in 2012).

1.2.2.2 Local Government Reform Program II

The Local Government Reform Programme II (LGRP II) does not explicitly target LGA procurement capacity building as a stand-alone activity, but supports numerous closely related activates where inputs from PPRA on procurement rules and guidelines should be provided. It is therefore a substantive key resource that will be closely coordinated with in the planned project interventions.

The Local Government Reform Programme II plans to undertake several reform and capacity building activities of relevance to the planned project. This includes in particular various interventions in support of improved financial management at HLG levels:

- the support to the roll-out of EPICOR/IFMIS (including the procurement module)
- hands-on support on financial management issues by the inter-regional reform teams
- financial benchmarking exercises that will cover all HLGs
- the planned training programmes of (all) councillors
- general capacity building at LLG level where key issues on LLG procurement also could be disseminated.

LGRP II also encompasses analysis and reform of the broader fiscal framework under which LGAs operate, as well as some support for enhanced citizen participation and accountability. The overall budget for the five-year programme period is estimated at TSH 66 billion.

1.2.3 Training Institutes and Framework

1.2.3.1 The Local Government Training Strategy and Institutes

In May 2010, PMO-RALG issued an overall Training Strategy for LGAs. The strategy coincides with the LGRP-II implementation period, and also provides a more long-term vision for LGA training. The core messages of the training strategy can be summarised as follows:

LGAs are responsible for developing and implementing **Capacity Building Plans**, which should be developed based on organisational performance needs; individual training plans should be based on the staff members' Open Performance and Review System, that in turn is linked to LGAs annual plans and overall strategic plans;

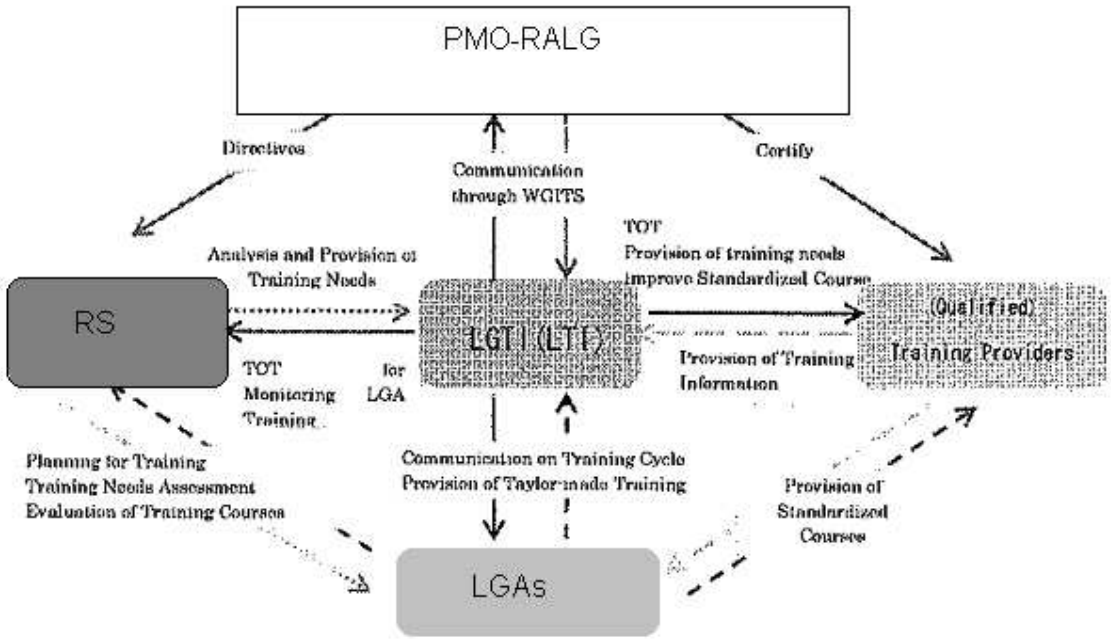
LGAs are expected to finance training activities from their own revenue as well as from the **Capacity Building Grant** (under the LGDG system). The CBG at present comprises a core discretionary CBG, and various sector-specific (agriculture, health etc) CBGs. These various grants are to be harmonised and consolidated.

PMO-RALG is the primary policy making body in implementation of the training strategy, and oversees the overall functioning of the institutional arrangements for its implementation through the designated lead training institute (Hombolo LGTI) and the Regional Secretariats;

PMO-RALG transfers most of the **administrative responsibilities** for LGA training to **Hombolo LGTI** (see below),

Actual delivery of training is to be undertaken by various **Qualified Training Providers (QTPs)**. At present, these comprise a list of 38 QTPs recognised by PMO-RALG for delivery of training in ten key areas, of which one of them is LGA procurement.

Diagram illustrating the institutional arrangements for implementation of PMO-RALG's LGA Training Strategy



1.2.3.2 Hombolo Local Government Training Institutes (LGTI)

To date, Hombolo LGTI has primarily undertaken short basic-level induction courses for LLGs. The institute is also currently providing academic programmes of (one year) certificate and (two year) diploma levels for LGA administration and LGA accounting and finance, and expects to begin academic courses in human resource management and community development from 2011/2012.

In November 2009, Hombolo Institute was appointed as the "Lead Training Institution (LTI) under the LGA training strategy (see above). Its new **role** involves the coordination of activities related to LGA management of the CBG:

- updating list of QTPs;
- assuring quality of training material and providers;
- disseminating information to LGAs on available QTPs etc.

This is a new role for Hombolo LGTI, and to date these tasks have not yet been performed. JICA is about to start a new project to support Hombolo in this area with two long-term advisers and a budget of approximately USD 3.7 million over three years. Hombolo has upgraded its infrastructure and recruited additional staff in preparation for this role.

In meeting with the mission, the Institute suggested development of academic course also on LGA procurement. However, this appears to take the institute away from its core mandate as LTI, and into a technical field beyond its core competences. In particular, the sheer numbers of LLG staff appear to be overwhelming the capacities for direct training by Hombolo. An approach for TOT at HLG level seems more effective for outreach at LLG levels.

Hombolo will prepare case-study material on the challenges, pitfalls and experiences of procurement practice in Tanzania as part of the project.

1.2.3.3 Other key training institutes

The **Tanzania Institute of Accountancy (TIA)** provides courses at Diploma, Certificate and Masters degree level in procurement. The main campus is in Dar es Salaam, with approximately 1,500 students studying procurement at various levels. Regional training centres in Singida, Mtwara and Mbeya have 400-500 students. Some pre-service and in-service training also takes place in TIA, but there is limited experience with this type of training.

The **College of Business Education (CBE)** also offers Diploma, Certificate and Masters degree levels for procurement. Their main campus in Dar has about 5,800 students, almost all off-campus. They cater for 3-5 year certificate, bachelor and post-graduate degrees in business administration, accountancy and procurement/supplies. CBE also has a Dodoma campus with approximately 3,000 students, and a Mwanza campus with about 1,000 students. Half of the students take short to long-term courses in procurement/supplies.

The course on procurement has become increasingly popular over the past 3-4 years, as the government has demanded that all public institutions with procurement activities have professionals with that background among their staff. The CBE does not offer in-service or pre-service training, or tailor-made courses.

The **Public Service College (PSC)** is the training institute identified by PFMRP to provide training on financial management, procurement, accounting, planning etc to all civil servants, including at LGA level. This would be funded under the PFMRP and the PSRP.

PFMRP management wishes to put more emphasis on standardised training provided through the PSC. A proposal for such training (including for LGAs) is likely to be included in the revised programme document for the new five-year programme (to start in 2012).

Finally, the **Mzumbe University** in Morogoro has about 100 students at various levels and stages, studying for procurement degrees at both diploma and post-graduate levels. Mzumbe also has a branch in Dar, with approximately 100 students at various levels of studying procurement. Training courses are both long and short-term (the long-term course comprises a degree in procurement of 3 years, followed by a Master of 1 ½ years).

Mzumbe University is experienced in both in-service, pre-service and tailor-made courses for LGAs. It provided tailor-made courses for the World Bank-supported Local Government Support Programme (carried out in 2006/7), including procurement training for the emerging LG capital development grants. They have also carried out training for LGAs in the Lake Zone, sponsored by SIDA. These tailor-made courses generally targeted aspects of LGA PFM issues.

They have developed short-term skills courses in the following key management areas:

- Public Administration and Human Resource Management;
- Accounting (Finance, Audit, Taxation and Financial Management);
- Procurement and Logistics Management;
- Economics, Project Preparation and Management;
- Legal Services;
- Marketing Management/ Strategies and Business Planning;
- Production and Operations Management;
- Socio-Economic Development
- Information, Communication & Technology (ICT)

- Cross-Cutting Issues on Environment, Gender, HIV/AIDS and Poverty Alleviation

Conclusion: The number of students in Tanzania following various levels of studies in procurement is rising rapidly. However, the quality of these degrees and their immediate applicability to LGA level are questionable. Mzumbe University in particular could become a key training institute to work with under the proposed project, as they are experienced in training LGA staff in various aspects of PFM and procurement issues. While TIA and CBE do not have extensive experience in organising pre-and in-service training, individual trainers could be found in their institutions with good knowledge and skills that could be utilised for regionally based training for LGA staff.

1.2.4 Association of Local Authorities of Tanzania (ALAT)

The Association of Local Government Authorities of Tanzania (ALAT) is the national local government association whose role is to promote and sustain the goals and ideals of decentralization. ALAT is a membership organization with 133 LGAs as its members (LGA

councils, town councils, municipal councils and city councils), expected to increase to over 160 members in the near future. ALAT was established in 1984 when LGAs were re-introduced following their abolition in 1970. ALAT is responsible for acting as an advocacy and lobby group providing a united voice for LGAs in Tanzania. Since urban councils have their own interests, structures and services that do not correspond to rural councils, in 2006 they formed a network for urban councils called Tanzania Cities Network.

Pursuant to its constitution, the goals of ALAT are:

- to foster and promote smooth Local Government development in Tanzania;
- to maintain and further the rights, interests and values of Local Government Authorities;
- to represent the Local Government Authorities of Tanzania in the International Union of Local Authorities and other international fora.

Among the objectives of ALAT is **capacity building in LGAs** (skills development), for example designing training for the orientation of new councillors, in collaboration with LGTI and PMO-RALG. Procurement is seen as a strategic area to ensure compliance with the Public Procurement Act 2004 and its accompanying regulations. According to ALAT there is a general lack of competence and experience in handling procurement at LGAs. Since more than 60% of the funds allocated to LGAs go through the LGA procurement system, enhancing the capacity of LGAs in areas of tendering procedures, procurement planning, value for money, resource utilisation is seen as key for improving on service delivery at LGA level.

1.2.5 Civil Society

There is an appetite among Tanzania's CSOs to engage with the issue of monitoring procurement and contract delivery at LGA level. Several examples can be highlighted:

- CSOs have begun to be involved in monitoring procurement of pharmaceuticals;
- the Tanzanian NGO 'Twaweza' has reported on the findings of CAG audits of LGAs, including performance in procurement;
- Agenda Participation 2000 has provided support to PETS committees at Ward and Village levels to monitor LLG expenditure;
- SIKIKA has worked on analysis of budget books and comprehensive council Health Plans, and participated in preparation of a manual for procurement of pharmaceuticals.

However in general, CSOs lack the technical knowledge necessary to analyse procurement practices and procedures at LGA level.

CSOs can play a role in publicizing how much money LGAs have available for procurement, bringing transparency to the role of LGA staff in procurement, and monitoring contract management (eg whether contracts are delivered at a cost within budget, on time etc). As part of the project, PPRA can provide guidance and materials to CSOs to increase their skills in tracking and analyzing procurement at LGA level. This

should be designed to enable them to provide advocacy, oversight, collecting and analyzing information, and making it available to the public and media. CSOs can also be encouraged to use tools such as PETS.

1.2.6 Parliament Local Authorities Accounts Committee

The Tanzanian Parliament's Local Authorities Accounts Committee has a role in exerting pressure on PMO-RALG and MoFEA to actively inquire into procurement performance at LGA level, tackle irresponsible accounting officers and management teams, and encourage PMO-RALG and MoFEA to take stricter management approaches towards non-performing LGAs.

In terms of working with the Parliamentary oversight committees and the National Audit Office, PPRA recently sent a request to the Clerk of the Parliament to include PPRA's reports for discussion as part of the accounts of the various public institutions, including LGAs.

1.3 Belgian strategy in the sector and operational experiences

1.3.1 Belgium Government policies and strategies

Policy documents of particular importance for assessing the relevance of the project in the light of Belgian policy are:

- The Belgian Law on international cooperation (1999)
- The Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008)
- The EU Code of Conduct on Complementarity and Division of Labour in Development Policy (2007)
- The Indicative Development Cooperation Program 2009-2013 between Belgium and Tanzania.

The project will contribute to achieving the Belgian Government's policy goals as stated in these documents. In line with the Paris Declaration on Aid Effectiveness, and the Government of Tanzania's priorities, the project reinforces one of the two concentration sectors identified in the Division of Labour between the Development Partners in Tanzania, Local Government Reform.

In October 2009, with the signing of the new IDCP (2010-2013), the Belgian Government reconfirmed its strong commitment to contribute to the implementation of MKUKUTA I and II, of which Cluster 3 (Governance and Accountability) aims to build capable and accountable local governments, enhancing their transparency and responsiveness, and strengthening procurement performance and value for money in use of resources.

The project complements the ongoing Belgian contribution to the Local Government Development Grant System (LGDGS), a basket fund to support the Local Government Reform Program. Its aim to improve procurement capacity of LGAs is in line with the above-mentioned Belgian policies as it seeks to enable LGAs to perform their service

delivery and financial management tasks in an effective, accountable and transparent way. The expected result of the Belgian contribution to this objective, outlined in the Identification Note, is that LGAs are strengthened in order to improve equitable and gender sensitive public service delivery and that the capacities of PPRA are enhanced

1.3.2 Operational experiences

As described above, the current project, aimed at enhancing procurement capacity of LGAs, complements the Belgian contribution to the Local Government Development Grant System (LGDGS), a basket fund to support the ongoing Local Government Reform Programme. Currently, Belgium is contributing EUR 27.000.000 to this LGDGS. In addition, in 2010, two international experts were recruited by BTC to support the Belgian Embassy in its policy dialogue with both the Tanzanian authorities and the Local Government Development Partners Group (LG-DPG). Since March 2011, Belgium has become co-chair of the LG-DPG.

To complement the other Belgian interventions in Tanzania, it was decided in July 2011 that the focal sectors in the IDCP were also to become the focal sectors for the Belgian Scholarship Program in Tanzania. Support to individual learning under the Scholarship Program will largely focus on staff at LGA level.

Belgian interventions in Tanzania thereby address three levels of intervention of critical importance to long-term institutionalised capacity development:

- Policy level: engagement in policy dialogue with the Tanzanian government and donor partners, through support to LGRP and the current project
- Organizational level: tackling institutional and organizational structures, incentives and capacities, through the current program
- Individual level: building individual staff capacity through scholarships and training at LGA level, through the Scholarship Program and the current program

Projects currently implemented at LGA level that are supported by BTC (including in the NRM sector) provide first-hand experience in addressing the practical challenges faced by LGAs, and their lessons will greatly benefit the current project.

1.3.3 Key Sectoral Challenges and Rationale

1.3.3.1 Capacity challenges at LGA Level

Given that more than 60% of funds allocated to LGAs go through the LGA procurement system, the challenge of improving LGA capacity to manage tendering procedures, procurement planning, ensure value for money and transparent and efficient resource utilisation is of critical importance for improving on service delivery to citizens.

However audit findings, reports and stakeholder interviewees consistently identify poor performance of LGAs in procurement, and attribute this to a lack of procurement capacity LGAs.

The following gaps in LGA procurement capacity are identified:

- Many LGAs have established their **Tender Boards** in accordance with the requirements of the PPA 2004, but these have limited capacity to adjudicate and make appropriate decisions on complex tenders.
- LGAs are required to have fully staffed **Procurement Management Units**, but these often comprise staff drawn in from various departments (making accountability problematic). LGAs do not have the permission from PO-PSM/MoF to recruit staff for PMUs to the level recommended by PPRA. Many LGAs have not yet provided the necessary working conditions for PMUs to be functional. In many LGAs, staff working in PMUs and User Departments lack the necessary knowledge and skills for managing procurement.
- There is little **awareness of the respective roles and limits of powers** and responsibilities of the Councillors (politicians), Executive Directors, LGA Tender Boards, PMUs and User Departments in respect of public procurement.
- **Lower Local Governments** (LLGs) have not received adequate appropriate guidance and capacity building on procurement to date. Recent CAG audits show that serious issues exist at LLG regarding procurement. LLGs are often responsible for up to 50% of local government procurement under the CDG. LLG capacity constraints are present both at the level of individual performance, in the procedures and processes of procurement, and level of mentoring/monitoring by LGAs.
- **Internal Auditors** are not adequately equipped to carry out their roles – for example, less than half of them have been provided with the required vehicles

This capacity gap analysis is supported by the findings of PPRA and CAG audits.

Declining performance identified by PPRA audits: during FY 2008/2009, PPRA executed 13 procurement audits of LGAs to assess whether procurement and contracting procedures and documentation comply with the provisions of the PPA 2004, Cap 410 and the standard documents prepared by PPRA. The PPRA audits also verified whether the procurement carried out by targeted LGAs achieved the expected economy and efficiency (value for money).

The audits identified several weaknesses were identified in procurement practice of LGAs:

- 46% of audited LGAs did not have properly established PMUs
- 47% of audited LGAs did not have Annual Procurement plans in place
- 32% of audited LGAs were not using Standard Tendering Documents
- 53% of audited LGAs had poor record keeping on procurement
- 56% of audited LGAs had poor Quality Control mechanisms and poor contract management

- The FY 2009/2010 compliance report revealed the following level of procurement compliance at LGA level:
- 38% of audited LGAs had properly established and staffed PMUs (decline from 2008-09)
- 30% of audited LGAs had prepared Annual Procurement plans (decline from 2008-09)
- 34% of audited LGAs were managing contracts in compliance with the regulations (decline from 2008-09)
- 35% of audited LGAs had poor record keeping on procurement (improvement on 2008-09 findings)

Findings of CAG audits: The Controller and Auditor General's Audit Report for 2009/10 highlighted a decline in the performance of both central, regional and local government agencies and departments, as compared to the 2008/09 audit report. At central level, the report showed a decline in the unqualified audit reports for Ministries and Independent Departments from 87% to 77% while qualified audit reports increased from 10% to 20%. At LGA level, unqualified audit reports decreased from 58% to 48.5% while qualified audit reports increased from 41% to 48.5% in the same period.

The CAG report highlights non compliance to the Public Procurement Act of 2004, inadequate management and monitoring of development projects, non adherence to the internal control system, lack of institutionalised training for LGA staff, and poor follow-up on recommendations of previous years audit reports.

The Government of Tanzania has recently sought to strengthen the management and control of public finance: Article 348 of the Public Finance Act has been reviewed to empower the Paymaster General and the Accountant General to manage and monitor public financial management at the LGA level. The Government has also created the post of Assistant Accountant General responsible for management of finances of LGAs, thus enabling the implementation of the intended objective of these changes.

1.3.3.2 Capacity challenges at PPRA level

The following challenges **inhibit PPRA's ability to enhance LGA procurement** capacities. In terms of its role in **monitoring compliance**, PPRA's in-house capacity is limited by financial and staffing constraints. Based on the PPRA annual reports for FY 2007/08 and FY 2008/09, current PPRA capacity to perform new annual LGA audits on their own budget is estimated at 10 to 20 LGAs (of a total of 133 LGAs in Tanzania). This limitation is clearly reflected in the number of audits that PPRA undertook in the last 3 years[12]. PPRA plans to expand its ability to monitor LGAs by increasing its staffing levels from the current 51 to 143 staff, and by building four zonal offices from which to monitor

12 The increased number of audits for FY 2009/10 reflects extra funding from the AfDB to perform additional audits.

LGAs. However, both plans are currently on hold, pending approval by the President. There is a need to increase the incentives for LGAs to perform their procurement functions correctly, by increasing monitoring of compliance.

In terms of its **capacity building** role, PPRA has developed guidelines and training materials (dating from 2006) for HLG procurement. However, these need to be updated. Actual outreach to LGAs is limited: during the last FY, PPRA trained a total of 1,906 procurement staff, a figure which includes both procurement staff in central government ministries and agencies, and LGAs (these trainings were mostly funded with money from the AfDB).

In addition, to date the outreach of PPRA has been limited to Higher Local Governments. LLGs have not been targeted due to limited PPRA capacity.

1.3.3.3 Capacity challenges at Regional Secretariat level

RS are supposed to provide backstopping, oversight, supervision and support to LGAs and facilitate them in delivering public services, including in procurement. However to date, there has been little support for RS to carry out their roles, and they lack adequate skilled human resources and facilities to support LGAs effectively.

1.3.3.4 Capacity challenges at Lead Training Institute (Hombolo) level

As described above, in 2009, Hombolo Institute was appointed as the "Lead Training Institution (LTI) under the LGA training strategy (see above). This is a new role for Hombolo LGTI, and to date these tasks have not yet been performed, though Hombolo will receive JICA support to fulfil its new mission. In particular, the sheer numbers of LLG staff appear to be overwhelming the capacities for direct training by Hombolo. An approach for TOT at HLG level seems more effective for outreach at LLG levels.

1.3.3.5 Capacity challenges for Civil Society and media in monitoring procurement

There is an appetite among Tanzania's CSOs and media to engage with the issue of monitoring procurement and contract delivery at LGA level. Several CSOs are monitoring LGA expenditure and contract management. However in general, CSOs lack the specialist technical knowledge of procurement regulations and norms necessary to analyse procurement practices and procedures at LGA level. They need to be provided with materials and information in order to play their role in bringing transparency to LGA procurement practices. Training and materials can increase their skills in tracking and analyzing procurement at LGA level, enabling them to provide advocacy, oversight, collecting and analyzing information, and making it available to the public and media.

1.3.4 The role of organizational structure and incentives

Procurement performance is clearly linked with capacity development, and the provision of training has a key role to play in bridging capacity gaps to enhance the overall performance of LGAs in procurement.

However training on its own cannot assure enhanced procurement performance of LGAs, and is not sufficient to address many of the issues identified above. There has been significant donor and government investment over the past 10-15 years in training LGA staff, including on procurement issues. The impact of these trainings has not been adequately monitored. Stakeholders recognized the need for improving performance of LGA staff in procurement, but emphasize that training must be supported by stronger incentives for improved performance. Strengthening appropriate incentives for LGA officials to improve performance and comply with procurement regulations is a critical factor in supporting further capacity development initiatives. The figure below (drawn from the 2006 study commissioned by PPRA to assess procurement capacity needs at central and LGA levels[13]) provides an overview of the different dimensions of capacity development in procurement:

[13] December 2006 report referenced in the bibliography: URT, MOF/PPRA 2006: Study to Assess capacity Building Needs in all MDAs, LGAs and specialised bodies to establish procurement training capacity available in the country and develop a capacity building training strategy, by Price Waterhouse Coopers in association with Charles Kendalls partners, 2006.

FOUNDATIONS	CAPACITY ENHANCEMENT INTERVENTIONS	OVERSIGHT	FINANCING

A Financing Mechanism to Promote Sustainability in Capacity Development

Training Budgets in Government Units	Infrastructure Development Budget Administered by PPRA	Targeted Project Funding by Donor Agencies	A Capacity Enhancement Fund Administered by PPRA (system-wide strategic training interventions)

Policy and Oversight Considerations

Capacity Building & Advisory Services	Monitoring and Enforcement	Information Technology & Systems Development	Research Standards and Policy Analysis

Organizational & Structural Interventions	Training Interventions and HRD	Systems & Process Enhancement Interventions
Staffing Structure and Career Pathing	*Policy Framework for Training in Government Units*	*Business Process Mapping and Management*
Performance Management and Development Systems	*Planning, Programming and Scheduling*	*Filing and Record Keeping*
Job Descriptions and Performance Standards	*Training Opportunities – Facilities and Institutions*	*Monitoring and Evaluation for Compliance and Quality Assurance*
Compliance Support – Reference Documents, Internal Consulting	*Testing and Assessment Standards and Methods*	*Information and Communication Technology*
Policy and Regulatory Framework	*Trainer Preparation and Support*	*Public Information and Communication*
Inter Unit and Inter Governmental Framework of Responsibilities	*Learning Materials Development*	*Contracting and Contract Management*
	Training Standards and Quality Assurance Mechanisms	
	Training Courses and Programmes	

Establishing Foundations for Transformation through Capacity Development in Procurement

Change Management Interventions	Values and Culture to support New Initiatives	General Understanding of Purpose, Functions & Processes	Standards for the Promotion of Excellence

The 2006 study reviewed the above-mentioned dimensions of procurement capacity in order to determine the biggest gaps and the most urgently needed interventions. It identified the following, mutually supportive, core intervention areas to address these broader dimensions of capacity in procurement[14]:

- The **regulatory framework** governing procurement should be reviewed in order to allow for a harmonized collaboration between oversight agencies.
- **Manuals and guidelines** should be updated to clarify regulations and to guide and assist procuring entities in complying with the law on procurement.
- **Staffing levels of PMUs** should be assessed and new staffing strategies to address possible deficiencies should be developed to make sure enough staff members are available to cover the workload.
- **New approaches to targeted individual training** should be developed to provide durable and qualitative learning opportunities for staff members of all skill levels.
- During the formulation mission, stakeholders confirmed the gaps and interventions identified above. Additional concerns also emerged during the stakeholder meetings:
- Special concerns were expressed regarding the **role of LLGs in the procurement process.** Several stakeholders mentioned the substantial amounts of money going to LLGs for procurement, with no clear guidelines available for LLGs to guide them through the procurement process.
- Concerns were expressed regarding the **follow up of (procurement) audit results.** Specifically, it was mentioned that **incentives** for individuals and organisations to comply with regulations are weak. Many stakeholders considered this to be a key issue that should be addressed in order to improve procurement performance. LGA Internal Auditors are also not adequately equipped to carry out their roles – eg less than half have been provided with th erequired vehicles.
- Certain aspects of the capacity challenge lie beyond the scope of this project. These include the following:
- **Staffing levels in LGAs**: LGAs do not have permission by PO-PSM/MOFEA to recruit up to the levels of staff for PMUs recommended by by PPRA[15].
- **Staff retention:** even if staffing levels are approved, it will be a challenge to attract and retain qualified staff in remote and poor rural LGAs.

[14] Study to Assess Capacity Building Needs In All MDAs, Local Government Authorities and Specialised Bodies to Establish Procurement Training Capacity Available in the Country and Develop a Capacity Building Strategy, PPRA December 2006

15 See proposal (based on categorisation of PEs based on procurement volume) page 86 of PPRA Annual Report)

- **Improvements in overall LG financing framework,** including further improvements in transparency and predictability of LG fiscal transfers. The current system significantly impacts on LGA capacity for development and adherence to long term procurement planning – the delays of development funds transfers has for instance been extensively documented and constitute a major problem for LGA procurement planning.

2 Strategic orientations

2.1 Strategic orientations and guiding principles

2.1.1 Alignment with national and sectoral policy and strategies

The 'Enhancement of Procurement Capacity of Local Government Authorities' project will provide support to the Tanzania government for institutionalised improvement of procurement capacities of LGAs.

The project will contribute to the policy objectives of the Government of Tanzania at different levels:

At the **general development policy level**, it will support Cluster 3 (Governance and Accountability) of the Tanzanian National Strategy for Growth and Reduction of Poverty, MKUKUTA II, by contributing to build capable and accountable local governments, enhancing their transparency and responsiveness, and strengthening procurement performance and value for money in use of resources;

At **sector level**, it will support the Tanzania government's Decentralization by Devolution policy, and will contribute to the objectives of the Public Procurement Act, in particular to increase local government compliance with the PPA, improve PPRA's operational and outreach capacity, and foster PPRA partnering and networking

The project will support activities on four main strategic pivots:

(i) **Enhancing the capacities of central institutions responsible for LGA procurement capacity building and oversight**. This will be supported by the activities to strengthen the capacity building role of the Public Procurement Regulatory Authority, the Prime Minister's Office-Regional Administration and Local Government, and the Hombolo Local Government Training Institute;

(ii) **Strengthening institutional capacity and procedures for monitoring and supervising LGA procurement performance**. This pivot will involve support to PPRA, Regional Secretariats, and PMO-RALG to carry out their role in monitoring LGA procurement performance;

(iii) **Fostering accountability and 'demand' for better LGA procurement performance.** This strategic axe will be achieved through support to civil society and media oversight of LGA procurement practices;

(iv) **Strengthening policy dialogue with Tanzanian stakeholders on reform and improvement to LGA capacity and procurement performance**. This pivot will involve support for action research on LGA procurement practices, incentives and organizational structures, which will inform program design, policy dialogue and recommendations on policy reform; and pro-active engagement by PPRA and BTC in the policy dialogue with Tanzanian government counterparts.

The interventions underscore the project's intention of supporting long term and institutionalised modalities for continued capacity development of LGAs.

2.1.2 Ensure complementarities and harmonization with other stakeholders and donors

The formulation team sought to anchor the project in the context of broader capacity building and local government reform initiatives, such as the ongoing Local Government Reform Program supported by donors (including Belgium) through a basket fund. In particular, the project seeks to reinforce measures to strengthen LGA capacity under LGRP, notably the Capacity Building Grant through which LGAs at present are provided with approximately 5 billion Tshs annually for local government capacity building. The CBG should contribute significantly to demand-led building of LGA capacities in procurement, if properly managed.

The team also sought to ensure complementarities and harmonization with other government stakeholders and donors active in the sector, including the donor-supported Public Financial Management Reform Program, and JICA's new program of support to Hombolo LGTI.

A good working relation is particularly important between PPRA PMO-RALG (which has lead responsibility for LGAs) and with capacity building institutions in Tanzania. Fostering a close cooperative working relationship between these partners is a key objective reflected in the design and activities of the project.

2.1.3 Strengthening Monitoring and Supervision of LGA procurement compliance

Training and capacity building alone is not enough to improve performance of LGA staff in procurement. They must be supported by stronger incentives for LGAs to perform their procurement functions. Strengthening appropriate incentives for LGA officials to improve performance and comply with procurement regulations is a critical factor in supporting improved procurement performance.

The project will strengthen and expand PPRA capacity to provide oversight and monitor compliance in a greater number of LGAs. PPRA can expand its capacity through strengthening its support to Regional Secretariats to carry out their role in monitoring and supervising LGA procurement performance; through reinforcing LGA procurement and internal audit capacity; through outsourcing monitoring to consultants where necessary; and through review of its own monitoring system to ensure its indicators for monitoring LGA procurement compliance are up to date.

Achieving the objective of improved LGA compliance will depend on coordination with other government agencies with shared responsibility for ensuring LGA compliance and administering sanctions for non-performance. The project will support PPRA to work closely with those governmental entities responsible for ensuring compliance, for local government staffing, capacity building and anti-corruption initiatives. This will include working with PMO-RALG to ensure its Inspectorate strengthens monitoring of LGAs, and to provide adequate responses to weaknesses identified in PPRA and CAG compliance reports. It will entail collaboration with PCCB to strengthen the LGA-level PCCB 'Integrity

Committees' to carry out their role in monitoring compliance.

The project will also support PPRA to harmonize its indicators and procedures for monitoring LGA procurement performance with the other systems for monitoring compliance and performance of LGAs, each of which have their own set of indicators (these include the Annual Assessments under LGCDG, CAG, PAF-PFMRP's joint annual assessment[16], the LGRP benchmarking system for financial management etc). As part of the project, PPRA will organize a dialogue with these stakeholders on alignment of indicators for monitoring LGA procurement performance towards a multi-layered audit process.

2.1.4 Ensure the link between operational and policy level

The project will seek to maximise its impact by engaging not only at an operational level within LGAs, but also at a policy dialogue level. Action research on LGA procurement practices, incentives and organizational structures will be conducted to inform this policy dialogue and thereby leverage the project's ability to influence and engage with the higher-level policy dialogue on LGA reform – for example, on procurement staffing levels and needs, retention of qualified staff in rural LGAs, measures to improve the existing capacity building system, etc.

In order to provide a basis for this policy dialogue and recommendations, action research will be conducted and with follow-up activities (workshops etc) to facilitate dialogue between central and LGA levels on the needs, roles and procedures given to LGAs in procurement.

Key issues will include:

- **Staffing levels and retention in LGAs**: currently the LGAs do not have permission from PO-PSM/MOFEA to recruit staff for Procurement Management Units at the levels recommended by PPRA17.
- **Incentives for deployment and retention:** it is a challenge to attract and retain qualified LGA staff, particularly in remote and poor rural LGAs. The action research will assess LGA procurement staffing needs, and consider the development of strategy for professional staff development, staff recruitment, deployment and retention (PPRA in close collaboration with MOFEA, PO-PSM and PMO-RALG). This should include assessing incentives for personnel to obtain certified procurement training, and conditions of service for procurement officers (set by PO-PSM and MoFEA).
- **Systems for monitoring performance of LGAs:** There are other overlapping systems for monitoring compliance and performance of LGAs, each with their own set of indicators (these include the Annual Assessments under LGCDG,

[16] Under PAF-PFMRP, a joint annual assessment with indicators for procurement is carried out between government and DPs. This has already assessed over 200 procuring entities (out of 385 in the country).

[17] See proposal (based on categorisation of PEs based on procurement volume) page 86 of PPRA Annual Report)

CAG, PAF-PFMRP's joint annual assessment18, the LGRP benchmarking system for financial management etc). As part of the project, PPRA should look at how its monitoring system aligns with the various existing systems. PPRA can lead a dialogue with the other relevant stakeholders on how to align systems, eg towards a multi-layered audit process. The project should examine how various systems for monitoring performance and compliance of LGAs (CAG, PAF-PFMRP, PPRA, Annual Assessment etc) can be harmonized.

- **Improvements in overall LG financing framework**; including further improvements in transparency and predictability of LG fiscal transfers. The current system significantly impacts on LGA capacity for development and adherence to long term procurement planning – the delays of development funds transfers have for instance been extensively documented and constitute a major problem for LGA procurement planning

2.1.5 Support the 'demand side' of civil society and media monitoring of procurement

An important aspect of strengthening incentives of LGAs for better procurement performance is to empower civil society and media to 'demand' improved performance by building their capacity to monitor LGA contract management and procurement. CSOs can play a role in publicizing the findings of PPRA and CAG audits, reporting on funds going through the LGA procurement system, the role of LGAs in tendering and awarding contracts, and monitoring whether contracts are delivered at a cost within budget, on time etc. Several Tanzanian CSOs have begun to be involved in monitoring procurement (e.g. of pharmaceuticals), and are reporting on the findings of audits to citizens. However, in general they lack the technical knowledge and familiarity with procurement regulations necessary to monitor and communicate on procurement practices to their public.

As part of the project, PPRA will provide guidance and materials to CSOs to increase their skills in tracking and analyzing procurement at LGA level. These should be designed to enable CSOs and media to provide advocacy, oversight, collect information and communicate it to the public and media. The project will ensure a link is made between its activities and the ongoing World Bank support for convening CSOs around procurement.

Parliament also plays an important role in demanding accountability the executive branch of government. As part of the project, PPRA will engage the Tanzanian Parliament's Local Authorities Accounts Committee, to improve their awareness of procurement issues at LGA levels, and encourage them to exert pressure and actively inquire into procurement performance at LGA level (this can include pressure on PMO-RALG and MoFEA to tackle irresponsible accounting officers and management teams, encouraging PMO-RALG and MoFEA to take stricter management approaches towards non-performing LGAs).

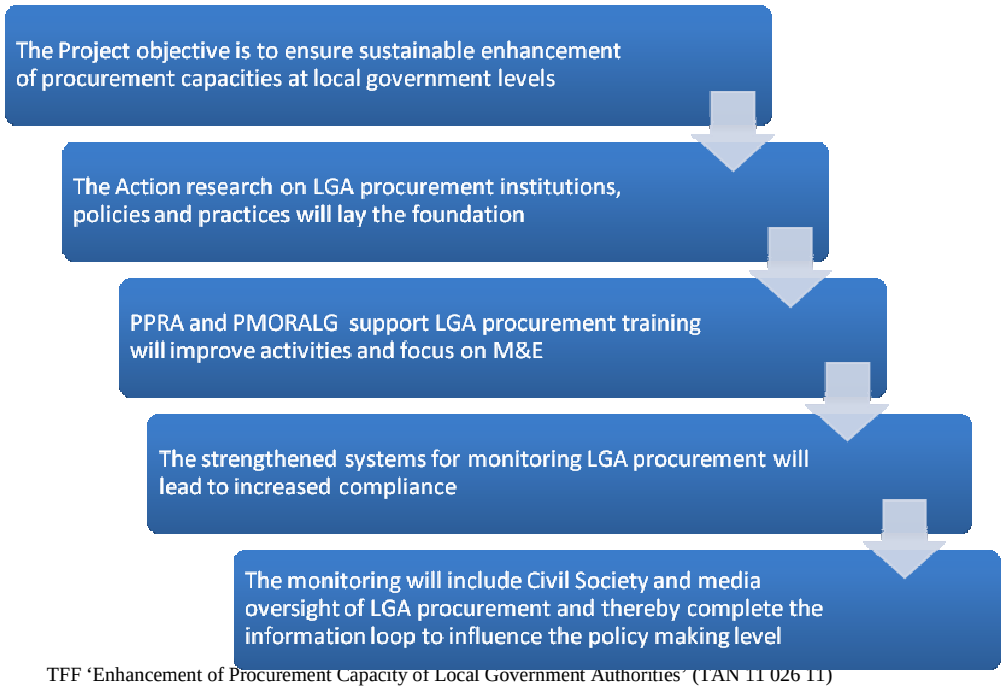
[18] Under PAF-PFMRP, a joint annual assessment with indicators for procurement is carried out between government and DPs. This has already assessed over 200 procuring entities (out of 385 in the country).

2.1.6 Increase attention to monitoring and evaluation of procurement and capacity building activities

There has been significant donor and government investment over the past 10-15 years in training LGA staff. The impact of these trainings has not been adequately monitored. Under the project, considerable attention will be given to create a monitoring and results framework that adequately captures and measures progress in enhancing LGA procurement capacity.

Firstly, Component 2 ('Monitoring of LGA Procurement Performance') will specifically support measures to strengthen government systems for monitoring the compliance of LGAs with government procurement standards. It will harmonize the systems and indicators for monitoring compliance, strengthen PMO-RALG and Regional Secretariats' monitoring and follow-up on LGA performance, and reinforce sanctions for non-complying LGAs. Secondly, the Action Research (Component 4) will carry out a situation/needs analysis of current LGA procurement practices and capacity gaps, against which progress in delivering capacity building will be monitored. Thirdly, at the start of the project, an organizational assessment will identify institutional strengths and gaps in the existing systems for procurement and capacity building (see Inception Phase below). Fourthly, Component 3 will strengthen the capacity of Civil Society and the Media to monitor LGA procurement performance (see Chapter 3 below). Finally, as part of regular BTC M&E procedures, a baseline study will be carried out to determine the starting point for the project, and regular monitoring will be complemented by mid-term review and evaluation.

The diagram below illustrates the phased strategic pivots of the project:



2.2 Geographic Coverage

Tanzanian government project stakeholders strongly advocate for a program approach that creates a national system for enhancing LGA procurement performance, and argued against picking specific LGAs for implementation. Therefore the intention for the project is to provide country-wide coverage in a phased approach. The Action Research implemented during the first year (see below) will examine the feasibility of country-wide implementation, given the project budget and duration, and the Steering Committee will discuss and validate the geographic coverage of the project.

During the first year of project implementation, that the Action Research (component 4) will be carried out in selected areas where Government of Tanzania is already implementing projects with the support of BTC, with a view to informing the design of the program for its wider national implementation. It is proposed that the Action Research be conducted within areas in which BTC is already implementing projects, in order to create synergies with ongoing BTC interventions and build on their existing staff and institutional structures and experiences. Piloting the Action Research in limited geographic area will ensure the integrity, depth and value of the research.

2.3 Synergy with other actors in the sector

The formulation team sought to create synergies between the project and other initiatives in the sector, including the ongoing Local Government Reform Program (notably its Capacity Building Grant); the donor-supported Public Financial Management Reform Program; and JICA's new program of support to Hombolo LGTI.

The team met with several other donors, in order to ensure synergies and avoid overlaps in activities. Coordination between the Belgian government and other donors in the Local Government sector takes place through the Development Partners' working group on local governments as part of the Budget Support program, which is chaired by Belgium.

2.3.1 Interventions by other donors

2.3.1.1 African Development Bank

The African Development Bank (ADB) completed a project with PPRA in 2010, and is in the process of starting another project, focusing its support to PPRA at central level.

In meetings with the formulation team, ADB representatives endorsed the need for procurement capacity building at LGA level and expressed the view that LGAs lack capacity to effectively deliver services.

In its former project, ADB provided support to PPRA to enable them to carry out procurement audit of 100 MDAs, including LGAs. Further, the ADB conducted post review of procurement in 28 LGAs in Kigoma, Mwanza, Shinyanga and Musoma.

During these post reviews, ADB identified the following problems at LGA and LLG level:

- ADB identified the need to translate procurement regulations and guidelines into Kiswahili, and to prepare simplified guidelines for LGAs, particularly lower local governments. PPRA is planning to prepare community-based procurement

guidelines which are simpler and in Kiswahili language, with the participation of local communities. This is an area the BTC project may support.

- A second major constraint identified by ADB is staffing of LGAs: qualified staff are not willing to go to remote LGAs.
- In addition to providing training to build staff capacity, there is a need to build incentives for compliance, including sanctions for non-compliance. The Regional Secretariat should be strengthened to provide support to LGAs. There should be Training of Trainers to build a pool of trainers. ADB is planning under the second project to support the development of 20 training of trainers (TOT).
- ADB also found that there is a need for more coordination between PPRA, PMO-RALG and CAG, as well as the need to drop some of the procurement compliance indicators and focus on the more technical ones. For example, indicators on establishment of tender board may be relevant at initial years of implementation of the Public Procurement Act.

ADB's views confirm the analysis of the project team and the interventions planned under the current project.

2.3.1.2 The World Bank Institute

The World Bank Institute is facilitating the formation of multi-stakeholder working groups composed of CSOs, PPRA and private sector companies such as mining and construction companies for purposes of monitoring procurement. At the moment the World Bank Institute is providing seed money for formation of these working groups but does not provide funds to cover their operational costs. Under this initiative two projects are envisaged:

- Preparation of tools to help CSOs to monitor procurement at grass root level; and
- Training of stakeholders on how to use the tools developed.

2.3.1.3 Public Financial Management Reform Programme (PFMRP)

The PFMRP, launched in 1998, aims to improve delivery of public services and promote macroeconomic growth and stability through strengthened financial control, enhanced accountability, reform to budget processes and the introduction of a computerized Integrated Financial Management System (IFMIS).

In terms of its activities at LGA level, PFMRP is focusing its capacity building interventions on central government institutions, whereas LGRP focuses on LGAs (see below). PFRMP support to procurement reforms and capacity building is implemented through PPRA.

However, PFMRP supports policy and institutional reform of critical importance to enhanced LGA capacities for procurement, including broad legal reforms and development and roll-out of IFMIS (EPICOR) at LGA level, in collaboration with LGRP (see below).

The PFMRP has facilitated a revision of the 2001 Public Finance Act, which provides the Accountant General with greater oversight powers over local government finances (required changes to the Local Government Finance Act have yet to be passed by Cabinet).

In terms of capacity building, the **Public Service College** is the training institute identified by PFMRP to provide training on financial management, procurement, accounting, planning etc to all civil servants, including at LGA level. This would be funded under the PFMRP and the PSRP.

PFMRP management expresses scepticism regarding the current "workshop" style of training and dissemination of new procurement practices. It was suggested that more emphasis should be given to standardised training provided through the Public Service College. A proposal for such training (including for LGAs) is likely to be included in the revised programme document for the new five-year programme to start in 2012).

2.3.1.4 Local Government Reform Programme II (LGRP II)

The Local Government Reform Programme II (LGRP II) does not explicitly target LGA procurement capacity building as a stand-alone activity, but supports numerous closely related activates where inputs from PPRA on procurement rules and guidelines should be provided. It is therefore a substantive key resource that will be closely coordinated with in the planned project interventions.

The Local Government Reform Programme II plans to undertake several reform and capacity building activities of relevance to the planned project. This includes in particular various interventions in support of improved financial management at HLG levels:

- the support to the roll-out of EPICOR/IFMIS (including the procurement module)
- hands-on support on financial management issues by the inter-regional reform teams
- financial benchmarking exercises that will cover all HLGs
- the planned training programmes of (all) councillors
- general capacity building at LLG level where key issues on LLG procurement also could be disseminated.

LGRP II also encompasses analysis and reform of the broader fiscal framework under which LGAs operate, as well as some support for enhanced citizen participation and accountability. The overall budget for the five-year programme period is estimated at TSH 66 billion. Support to the Hombolo Local Government Training Institute (LGTI)

2.3.1.5 JICA

The Japan International Cooperation Agency (JICA) is about to start a new project to support Hombolo LGTI. In November 2009, Hombolo LGTI was appointed as the "Lead Training Institution (LTI). Its new role involved the coordination of activities related to the LGAs management of the CBG:

- updating list of QTPs,
- assuring quality of training material and providers,
- disseminating information to LGAs on available QTPs etc.

This was a new role for Hombolo LGTI and up until now these new activities have hardly been performed. Therefore, the aim of the JICA supported project is to support Hombolo LGTI to take up its new role.

3 Intervention framework

3.1 General objective

"Ensuring systems and structures of governance uphold the rule of law and are democratic, effective, accountable, predictable, transparent, inclusive and corruption free at all levels"

In agreement with the national partner, the overall development objective of the project was reformulated to better reflect the contribution of the Project to the Government of Tanzania's national poverty reduction strategy. The Tanzanian project partners selected the General Objective above, because it is goal number 1 under Cluster III (Governance and Accountability) of the MKUKUTA 2010. The Project is in this manner envisaged to contribute to the overall MKUKUTA objectives and the same overall development objective of the wider Local Government Reform Programme. The specific objective of the Project is focused on the strengthening of local government procurement capacities, as further discussed below.

3.2 Specific Objective

The specific project objective is:

"Procurement capacity at local government level is sustainably enhanced"

The specific objective highlights the project's intentions of enhancing capacities of central government oversight institutions (including PMO-RALG, Regional Secretariats and PPRA) as well as strengthening the oversight capacities of civil society (including media). Finally, the project objective also underscores the intention of supporting long term and institutionalised modalities for continued capacity development of LGAs.

Components

The program will have five components supporting five key result areas:

1. Support to PPRA and Hombolo LGTI for LGA procurement capacity building
2. Strengthening government systems for monitoring LGA procurement performance
3. Support to civil society and media oversight of LGA procurement
4. Action research on LGA procurement practices, incentives and organizational structures
5.

3.3 Expected results and activities

3.3.1 Results

The Specific objective will be achieved through the following expected results:

Result 1: PPRA capacity to provide long-term support to improve LGA procurement performance is strengthened

Result 2: The systems for monitoring LGA procurement performance are strengthened

Result 3: Civil society and media oversight of LGA procurement is supported to better monitor and provide information on procurement performance

Result 4: Action research on LGA procurement practices, incentives and organizational structures is conducted to inform program design, policy dialogue and recommendations on reform

3.4 Outcome Indicators and Means of Verification

The Logical Framework (annex 7.1) presents the proposed key indicators and means of verification.

In designing the Logical Framework, the guiding principle has been to use existing national systems for monitoring of progress wherever possible (e.g. PPRAs own 13 indicators of compliance). During the course of the project, and as part of project activities (see Component 2.1), PPRA will update its compliance indicators and streamline these with other key government audit and monitoring agencies who have a role in monitoring procurement at local government levels. For results 1-4, it has been necessary to include additional project-specific indicators as indicated in annex 7.1.

3.5 Activities

During the Inception Phase and first year of the project (see Inception Phase in Chapter 5 below), a detailed roadmap for the project will be defined, with a view to informing and shaping the modalities and design of the activities. It will contain (a) a needs assessment of capacity building needs (b) a proposed program for the capacity building to be delivered under the project and (c) detailed modalities of how to deliver the training in a practical, cost-efficient way.

Based on discussions with the partner, the Activities below were identified.

Component 1. Support to PPRA, PMO-RALG and Hombolo LGTI for LGA procurement capacity building

Result 1: PPRA capacity to provide long-term support to improved LGA procurement performance is strengthened

Activity 1.1 Development and refinement of manuals and guidelines (led by PPRA in close collaboration with PMO-RALG/RS and Hombolo LGTI)

Manuals and guidelines on procurement need to be developed, revised, updated, tested and targeted to LGA level, in order to provide adequate up-to-date, relevant guidance reflecting recent legislation and best practice on procurement to LGAs. These should clarify the roles and responsibilities of all LGA stakeholders in the procurement process. In particular, new materials are also needed that target the lower level of LGAs. This is an area in which PPRA needs to work with PMO-RALG and Hombolo.

The Project will support PPRA to work with PMO-RALG, assisted by the PIU, to work

jointly to develop, update and refine guidelines on procurement at LGA level, specifying roles and responsibilities of all LGA stakeholders in the procurement process

A procurement Operational Manual for Local Government Authorities will be developed, on which the guidelines will be based

Manuals/guidelines for procurement in lower-level LLGs will also be developed, specifying roles and responsibilities of all actors in the procurement process, with particular attention to the relationship between higher and lower level local governments in the procurement process. The guidelines will accompany the Operational Manual (see below) and will specify the key roles of various levels, and any instructions that Higher LGAs need to follow in monitoring LLG procurement processes

Training materials and standardised courses will be developed, refined and updated based on the new manuals/guidelines, targeted to both higher- and lower-level LGAs.

The manuals/guidelines for both HLG and LLG will be published and printed

PPRA/PMO-RALG will test the package in selected LGAs and RS

This activity will be led by PPRA in close collaboration with PMORALG/RS and Hombolo LGTI. In order to implement this activity, outside technical support may be needed to prepare or assist in preparing manuals, guidelines and training materials. Consultants and/or QTPs will be contracted to provide support where needed, contracted by the PIU in PPRA.

Activity 1.2 Dissemination of updated procurement manuals and guidelines to LGAs and Regional Secretariats (PPRA and PMO-RALG/RS)

The updated and tested training materials and guidelines for higher and lower LGAs need to be actively disseminated and communicated to the local level, so that RS, LGAs and LLGs become familiar with the manuals and guidelines, and put them into use. In addition, the selection of Qualified Training Providers who provide the front-line training needs to be updated.

Under this component, the following activities will be carried out:

PPRA and PMO-RALG design a dissemination strategy and prepare dissemination package to transmit the updated guidelines and manuals to LGA and RS levels

PPRA and PMO-RALG/Hombolo update the list of QTPs who provide front-line training to LGAs.

Workshops for the dissemination to LGAs and RS are organised in selected test RS level.

PPRA and PMO-RALG review the dissemination experience, adapt the strategy according to lessons learned and roll out nationwide

This activity will be jointly led by PPRA and PMORALG/RS. Where external capacity support is needed, consultants will facilitate the dissemination sessions to LGA staff. The QTPs shortlisted by PMO-RALG/Hombolo LGTI can be utilised and contracted by PIU for this.

The following stakeholders at LGA and RS levels were identified as relevant to procurement (this will be validated and their roles and responsibilities in procurement clarified as part of the action research outlined under component 4):

Level	Department/section/Committee	Number of staff
LGA	PMU	3-4
	Heads of departments/ management	8-10
	Council Chairperson and members(s) of Finance Committee	2-4
	Internal Audit	1-3
	Audit Committee	7
Sub-total per LGA		21-28
RS	FM officer/auditor	1-2
	Planning Officer	1
	Lawyer	1
	HR officer	1
Sub-total per RS		4-5
Total		25-33

Activity 1.3 Development of courses for procurement at higher skills levels (PPRA, PMO-RALG/RS and Hombolo LGTI)

There is a pressing need to build the skills of procurement professionals through more advanced training, beyond the basic standardised courses offered to LGAs. Hombolo LGTI is currently providing training at basic skills level through 10 standardised training courses (of which procurement is one of the 10) offered to LGAs as part of the capacity building grants under the Local Government Capital Development Grant (LGDG) System. However these are at a very basic level. There is a need to provide training at a higher individual and organisational level.

In order to provide training at higher skills levels, the following activities will be implemented under this component:

PPRA collaborates with PMO-RALG and Hombolo LGTI to develop advanced level course materials on LGA procurement targeting different skills levels (advanced, management etc)

PPRA and Hombolo prepare case-study material on the challenges, pitfalls and experiences of procurement practice in Tanzania

PPRA, PMO-RALG and Hombolo will collaborate to select the best qualified training providers to provide the advanced training, based on the existing criteria developed by PMO-RALG

PPRA and Hombolo work with QTPs to ensure QTPs fully understand and can apply the training materials

Activity 1.4 Training of TOTs at LGA (HLG) level for training Lower-level Local Governments on procurement issues (PPRA, PMO-RALG and Hombolo LGTI)

To date, the focus of PPRA's guidelines and capacity building activities for local government has been at the Higher Local Government (District) level. Based on discussions with stakeholders and on the findings of CAG audits, there is a significant need to support LLGs in their procurement tasks. Particular efforts under this project are needed to build procurement capacity at Lower Local Government level.

PPRA will use adapted and targeted tools and guidelines for LLG procurement. The design of tools and guidelines will be informed by action research (see component 4), and will be harmonized with existing tools (e.g. LGRP developed a general manual for LLGs on financial management, including procurement).

The project will support PPRA in collaboration with LGTI (Hombolo) and PMORALG to train trainers at LGA level for lower local government (LLG) level interaction and sensitisation.

Given the number of LLGs and capacity constraints, capacity building for LLGs will be transmitted through a cascading **'Training of Trainers'** model. The project will not provide direct support to LLG training. In the Tanzanian local government system, LGAs are expected to finance training activities for Higher and Lower LGAs from their own revenue as well as from the **Capacity Building Grant** (under the LGDG system)[19]. As part of the project, PMO-RALG will encourage LGAs to use their CBGs to support procurement training for LLGs.

Under this component, the following activities will be implemented:

PPRA works with PMO-RALG and Hombolo LGTI to develop training materials targeted to LLG level, based on LLG procurement guidelines (see Activities 1.1 and 1.2 above)

PPRA works with QTPs to train them in LLG manuals and guidelines (the selection of QTPs for LLG training will be done by PPRA and Hombolo)

QTPs provide TOT training to LGA staff (to be defined) for on-job-training of LLGs

PMO-RALG encourages LGAs to use their CBGs to fund procurement training for LLGs.

This activity will be led PPRA in collaboration with Hombolo LGTI and PMORALG.

Training of TOTs at LGA level will be carried out by Hombolo LGTI. This can either be done at Hombolo LGTI itself, or at zonal centers, using the facilities of other training institutions who collaborate with Hombolo.

The specific responsibilities and roles of Hombolo in relation to the project will be defined in an Agreement Implementation (see Inception Phase in Chapter 5 below).

A 1.5 Technical Assistance

Technical Expertise is provided to support the implementation of the components described above, and to strengthen the capacity building and transfer of knowledge to partner institutions.

[19] The CBG at present comprises a core discretionary CBG, and various sector-specific (agriculture, health etc) CBGs.

Component 2: Monitoring of LGA Procurement Performance

Result 2: Strengthened systems for monitoring of LGA procurement performance

There is a need to strengthen existing government systems for monitoring compliance of LGAs with procurement standards, in order to improve the impact and results of capacity building in LGA compliance with government procurement standards.

Currently, PPRA has its own system for monitoring of compliance, but there are several other overlapping systems for monitoring compliance and performance of LGAs in Tanzania, each with their own set of indicators. These include the Annual Assessments under LGDG, CAG's indicators, PAF-PFMRP's joint annual assessment, the LGRP benchmarking system for financial management etc. These overlapping systems and indicators for monitoring LGA procurement performance need to be critically reviewed by PPRA, in order to review how its monitoring system aligns with the existing systems.

Under this component, the project will build on and strengthen the existing government systems for monitoring compliance of LGAs with government procurement standards. PPRA will lead a dialogue with the relevant stakeholders on how to align and strengthen systems, e.g. towards a multi-layered audit process.

In order to further strengthen the monitoring of impact under the project, the Action Research in Component 4 (below) will be used to measure and monitor the results of the new tools for capacity building that will be developed by the Project, both at the start and during the project.

Activity 2.1 Harmonizing systems and indicators for monitoring compliance at LGA level (PPRA and other stakeholders)

PPRA (supported by external consultants where needed) will conduct a review of its own monitoring system and indicators, to verify if its indicators for monitoring LGA procurement compliance are up to date and reflect current legislation and best practice

PPRA (supported by external consultants where needed) reviews the indicators used by other stakeholders (eg Annual Assessments under LGCDG, CAG, PAF-PFMRP's joint annual assessment, the LGRP benchmarking system for financial management etc) with a view to harmonizing both sets of indicators

PPRA (supported by external consultants where needed) will organize workshops to dialogue and agree with other stakeholders on alignment of government systems and indicators for monitoring LGA procurement performance

Workshops in each LGA will be organised with 25 participants from each LGA for 2 days per LGA, by a small team of consultants with PPRA and PMO-RALG staff. The purpose will be for dissemination and to align procurement performance monitoring with other systems.

Activity 2.2: PMO-RALG strengthens Regional Secretariat to provide oversight, monitoring and follow-up support to LGAs on procurement (PMO-RALG/RS in collaboration with PPRA)

Strengthening appropriate incentives for LGAs to improve their performance and comply with procurement regulations is critical. Currently, the incentives for LGAs to comply are weak because there is little follow-up to the findings of PPRA and CAG reports is weak.

Responsibility for imposing sanctions on LGAs for non-compliance is shared, with control over staffing issues resting with the PO-PSM. However PMO-RALG can play an important role in ensuring adequate sanctions and responses to weaknesses identified in PPRA compliance reports and CAG audits.

This Activity will support PMORALG and RS to perform their responsibilities in providing oversight, monitoring and follow up on LGAs procurement performance.

It will support more vigorous follow-up and monitoring of LGA compliance by PMO-RALG and the Regional Secretariats. This includes regular inspections of LGAs by PMO-RALG, regular monitoring by RS (whose role in monitoring and support to procurement is as yet not well defined), and developing adequate responses by LGAs through PMORALG to weaknesses identified in PPRA compliance reports and CAG audits. The activity will be led by PMORALG in close collaboration with PPRA and supported by the PIU. To ensure the RS do more in terms of follow-up and monitoring of LGA procurement performance, the project will support and strengthen the Inspection function of PMO-RALG/RS to carry out regular Inspection/monitoring visits by PMO-RALG/RS to LGAs.

PMO RALG has lead responsibility in ensuring that its Inspectorate Division and RS are actively engaged in monitoring LGA procurement. This includes not only carrying out LGA visits, but also preparing reports on findings, recommendations to strengthen the system, and acting on the recommendations.

The project seeks to strengthen the follow-up provided by PMO-RALG and RS at LGA level. Activities supported will include:

PMO-RALG strengthens its monitoring of LGA procurement performance

LGAs through PMO-RALG provides adequate sanctions and responses to weaknesses identified in PPRA compliance reports and CAG audits.

PMO-RALG works with Regional Secretariats to support LGA procurement staff, LGA internal audit capacity, LGAs Audit Committee capacity and LGA-level PCCB 'Integrity Committees' to carry out their functions in monitoring procurement performance

Regular Inspection/monitoring visits will be carried out by PMO-RALG/RS to LGAs.

Activities under this component will be informed by the findings of the action research under Component 4.

Component 3: Civil society and media oversight of LGA procurement

Result 3: Civil society and media oversight of LGA procurement is supported to better monitor and provide information on procurement performance

There is an appetite among Tanzania's CSOs and media to engage with the issue of monitoring procurement and contract delivery at LGA level. However in general, CSOs and media lack the technical knowledge necessary to analyse procurement practices and procedures at LGA level. CSOs and media can play a role in publicizing how much money LGAs have available for procurement, bringing transparency to the role of LGA staff in procurement, and monitoring contract management (ie whether contracts are

delivered at a cost within budget, on time etc). As part of the project, PPRA can provide guidance and materials to CSOs and media to increase their skills in tracking and analyzing procurement at LGA level.

Activity 3.1 PPRA provides guidance and materials to CSOs to increase their skills in tracking and analyzing procurement at LGA level (PPRA and CSOs)

- PPRA prepares tools targeted to help CSOs monitor procurement at grassroots level and disseminate the information to communities. PPRA designs materials targeting civil society that empower CSOs to access, analyse and publicise information about LGA procurement practices and performance
- PPRA trains CSOs on how to use the tools developed. PPRA works with CSOs to use the materials for their work in bringing transparency to LGA procurement practices
- PPRA provides the tools and training for civil also to the LGA Audit Committees to better carry out their work in monitoring LGA procurement performance

Activity 3.2 PPRA provides guidance and materials to media (radio, TV, local newspapers etc) to increase their skills in tracking and analyzing procurement at LGA level (PPRA and media)

- PPRA develops materials and tools targeted to Tanzanian media (eg local radio, newspapers, TV etc), to help them disseminate and debate information on LGA procurement practices and issues.
- PPRA engages with media outlets (newspapers, radio, TV etc) to disseminate and train them in the materials

Activity 3.3 PPRA engages with the Parliament Local Authorities Accounts Committee to improve their knowledge and awareness of procurement compliance and non-compliance issues at LGA levels

- PPRA makes contact with Tanzanian Parliament's Local Authorities Accounts Committee, organises meetings and dialogues, and provides information, to encourage them to exert their pressure on government, and actively inquire into procurement performance at LGA level
- PPRA transmits information and policy recommendations to the Parliament Local Authorities Accounts Committee through meetings, written policy recommendations and workshops with other stakeholders, to ensure frequent dialogue on LGA procurement issues

Component 4: Action research to inform program design on LGA procurement practices, incentives and organizational structures

Result 4: Action research on LGA procurement practices, incentives and organizational structures is conducted to inform program design, policy dialogue and recommendations on reform

The Action Research will have 3 main objectives:

Firstly, during the Inception Phase and first year of the project, the Action Research will prepare a detailed roadmap for the project, with a view to informing and shaping the project design. It will contain (a) a needs assessment of capacity building needs (b) a proposed program for the capacity building to be delivered under the project and (c) detailed modalities of how to deliver the training in a practical, cost-efficient way.

Secondly, the Action Research will be used to measure and monitor the improvements in capacity and compliance, resulting from the new tools for capacity building that will be developed by the Project, both at the start and during the project.

Thirdly, the findings of the Action Research will be used to facilitate dialogue between central (e.g. PPRA, PMORALG, CAG, PCCB etc.) and LGA levels on the needs, roles and procedures given to LGAs in procurement.

Activity 4.1 Action research on LGA procurement practices, incentives and organizational structures is conducted to inform program design, dialogue and recommendations on policy reform (PPRA, PMO-RALG and stakeholders)

During the first year of the project, a study/assessment will be initiated (integrating gender-specific indicators - please see Logical Framework below), which will inform the design of all other proposed activities under the Project. The Action Research will be started during the first year of the project, but will be a continuous activity during the project lifespan that will continuously draw lessons from, inform and feed into the project design and implementation.

This study will be commissioned during the first year of the project so as to inform all other proposed activities under the Project. The aim will be to prepare a detailed roadmap for the project, with a view to informing and shaping the project design. This will contain (a) a needs assessment of capacity building needs (b) a proposed program for the capacity building to be delivered under the project and (c) detailed modalities of how to deliver the training in a practical, cost-efficient way.

The following activities will be carried out:

- During the Inception Phase, Terms of Reference for the Action Research will be drawn up by the PIU together with BTC and PPRA, for review by the JLPC. These will describe the content and purpose of the research, as well as the profile of the consultants who will conduct it.
- The profile of the consultant carrying out the Action Research should be oriented towards practical (rather than theoretical) skills in devising a cost-efficient program of capacity building in Tanzania taking into account the constraints (technical, financial and duration) of the project.

- PIU will select consultants to carry out the assignment, and select a representative sample of RS, LGA and LLGs as study sites.

Among the topics that will be covered in the ToR will be:

(a) Situation/needs analysis of current LGA procurement practices, organizational structures and capacity gaps among stakeholders involved in LGA procurement.

(b) Analysis of the incentives for LGAs to perform their procurement functions correctly, and recommendations to improve these incentives

(c) Proposals for strengthening the sanctions for non-compliance with audit results.

(d) Prioritised training program to be delivered under the program, based on the analysis, identifying institutional capacities to deliver training, with short, medium and long-term measures to be taken

(e) Practical, feasible, actionable and detailed modalities on how to deliver the training in a practical, cost-efficient way in the Tanzanian context. These will be used to inform the design and implementation of the capacity building under the project.

(f) Policy recommendations on improving LGA performance, to inform BTC and PPRA policy dialogue with donors, other government ministries and agencies, training institutes, LGAs, RS etc)

(g) Specific recommendations on measures to improve the procurement practices and performance of the LGAs/RS in which the study is conducted

Additional topics to be included in the ToR for the study can include (to be validated and discussed by PIU and JLPC):

- Assessment of feasibility of introducing environmental and/or climate-change related indicators into PPRA's regular monitoring of LGA procurement compliance and its indicators (if this change to LGA procurement indicators is accepted and approved, a follow-up to this can be made in a sustainable manner)
- Examine the role of the LGA Internal Auditors and the Internal Audit Commission, as one of the stakeholders in LGA procurement and financial management. Their role in monitoring and controlling FM at LGA level will be reviewed. Based on the lessons learned from the Action Research, their role may be strengthened as part of the project.
- Analysis of reasons for the high staff turnover at LGA level, and recommendations to address this challenge.
- Analysis of how current LGA procurement practices impact the participation of small and medium-sized enterprises (SMEs) in LGA contracts, impact of current LGA procurement rules and practices on local firms, including barriers

facing local firms in bidding for government contracts; recommendations for LGA procurement practices that can better enable local SMEs to be more competitive in bidding for local contracts.

- Analysis of LGA procurement staffing needs, development of strategy for professional staff development, staff recruitment, deployment and retention (PPRA in close collaboration with MOFEA, PO-PSM and PMO-RALG)
- Role of RS and PMO-RALG in monitoring and supporting LGA procurement staff
- Role of LGAs Internal Auditors and LGAs Audit Committee in auditing and advising on procurement matters
- How to harmonize procurement procedures of donor supported programmes (TASAF, sector programmes, LGDG and others)
- LLG needs and roles in procurement
- Strengths and weaknesses of different sources of capacity building for procurement (CBG, PFM training under LGRP, sector specific training) and how to align them,
- Incentives for personnel to obtain certified procurement training and conditions of service for procurement officers
- Specific recommendations on integrating the gender dimension into capacity building and ensuring the gender-neutrality of procurement practices.

Activity 4.2 Follow-up to the Action Research

- PPRA, PMO-RALG and the consultants carrying out the research prepare communications materials based on the action research targeting different audiences (e.g. PowerPoint presentations, briefing notes etc)
- The findings of the Action Research will be used by the PIU, BTC, PPRA and the JLPC to shape the design of the training/capacity building program to be delivered under the project.
- PPRA and PMO-RALG engage in a policy dialogue with the different stakeholders in LGA procurement (e.g. donors, other government ministries and agencies, training institutes, LGAs, RS etc) on improving LGA performance based on the action research.

Activity 4.3 Assessment of the Methodology, Results and Impact

The Action Research will be started during the first year of the project, but will be a continuous activity during the project lifespan that will continuously be used to measure and monitor the improvements in capacity and compliance, resulting from the new tools for capacity building that will be developed by the Project, both at the start and during the project.

3.6 Description of beneficiaries

3.6.1 Direct Beneficiaries

The following main beneficiaries can be identified at local and national level:

At the decentralised level:

- Procurement Staff in PMUs and HLG
- Any councillors with a role in supervising and overseeing LGA procurement
- Financial Management and Internal Auditors staff at the LGA level and LLG levels
- Media/CSOs

At the national level:

- PPRA
- PMORALG/RS and Hombolo LGTI
- Media/CSOs

3.6.2 Indirect Beneficiaries

Indirect beneficiaries are:

- Local communities
- The private sector
- LAAC
- NAO

3.7 Duration

The project will be implemented over 60 months, ie four years, plus six months for starting and six months for closure. The estimated start date is 1 April 2012. The Specific Agreement will be for six years.

3.8 Risk Analysis

3.8.1 Implementation risks

Risks	Risk Level	Alleviation measure
PPRA and PMORALG do not yet have an official working relationship or MoU defining their cooperation. Effective coordination and cooperation between PMORALG and PPRA will be essential to the project.	Medium	The Joint Partners Local Committee to be established under the Project will ensure regular between MOF, PPRA, PMORALG and BTC to ensure coordination of activities. The International Sector Expert should divide their time between PPRA and PMORALG, and will work to ensure a solid working relationship as part of his/her Terms of Reference. The JLPC/Steering Committee will meet at least twice a year to ensure proper follow-up and coordination. PMORALG will sign an Agreement on Implementation Responsibilities with the project which will detail the mutual responsibilities of PMO-RALG and PPRA. This may be an initial step towards the development of an MoU at a later stage, to be ratified by the authorities. A second agreement will be signed with Hombolo.
Inadequate understanding and experience of the LGAs.	Medium	It will be important for the Project Team to provide frequent, close and timely support to all LGAs where the project is implemented. Arrangements should be considered for how to ensure adequate field supervision and outreach. It is proposed that the project's initial activities (Component 4, Action Research) be conducted within areas in which Government of Tanzania and BTC is already implementing projects, in order to build on existing experience. Additional criteria for the

		selection of geographic areas for initial project implementation will be determined by the JPLC, and can include (for example) geographic distribution, income distribution, rural/urban etc. The JPLC will review experiences of the first year and determine the feasibility of scaling the project up to country-wide implementation. The pilot areas are chosen where other Government of Tanzania and BTC projects are already present. Simplified agreements will be made with those LGAs and projects, to build on synergies in project resources. Coordination will be guaranteed through periodic field supervision and outreach. BTC meetings gathering all its projects/TA could also be useful.
There is a risk of using project funding for purposes not specified in the TTF and budget	High	The Project will recruit a Financial Controller to mitigate this risk and annual audits and running monitoring will reduce this risk.
PPRA and PMORALG staff designated to the project may not have sufficient time available for implementing the activities, and the JLPC may not show the ownership, commitment and responsiveness necessary to ensure smooth implementation of the project	High	Both PPRA and PMO-RALG have affirmed their high-level commitment to the project. This is seen in their designation of staff to the project, the contribution of office space and logistical support to the project, and high-level engagement with the project preparation process. In addition, PPRA has secured agreement and commitment from all JLPC members to supervise whether this commitment is realised.
There may be delays in defining and signing operational agreements among the cooperating agencies	Medium	PPRA has agreed to implement the project according to the chronogram, and has already coordinated with partners to ensure their commitment to the project.
There may be delays in procurement for tendering implementation partners such as QTP, Action Research, Baseline study etc.	Medium	The Financial Controller will provide technical support to ensure timely procurement, while BTC will provide backstopping support from Dar and Brussels

3.8.2 Management risks

Risks	Risk Level	Alleviation measure
Poor incentives and poorly-defined institutional arrangements for LGA capacity building in Tanzania: PMORALG has a high level role but no implementation responsibility, Hombolo has limited role and comprehensive mandate, and LGAs are able to use their own discretion to manage their own capacity building agendas. The arrangement provides insufficient incentive for stakeholders to work together to achieve results.	High	The Project has sought to build into its management a specific role for both PMORALG and Hombolo. This will be formalised in Implementing Agreements. The JLPC is made up of both PPRA and PMORALG ensuring that activities are coordinated with the wider LGRP process. PMORALG will provide a Liaison Officer to coordinate and work closely with the Project Manager and PIU in day-to-day activities.
PMUs in LGAs currently lack the required quantity/quality of staff	High	Government has been focusing on the issue of PMU staff shortage at LGA level for the past few years. Increased numbers of procurement specialists at various levels of specialisation are being trained in various training institutes in Tanzania. This is outside the direct control of the Project, but constant engagement at policy level should ensure that this issue remains high on the policy agenda of both government and donors.
Availability of adequate management and technical expertise	Medium	The Project will recruit an International Sector Expert to assist in implementation of activities and technical backstopping from BTC will help mitigate this risk.

3.8.3 Effectiveness risks

Risks	Risk Level	Alleviation measure
Procurement performance hampered by low predictability of budget transfers to Local Government, over which PPRA and LGAs have limited control	Medium	This is a real problem that has persisted for a number of years. It includes both untimely central government releases but also delays in LGA submission of budget execution plans and procurement plan. The Project will try to mitigate this through the engagement with key stakeholders like PPRA, MOF and PMORALG at Steering Committee level, but also through the training to LGAs. Improvement of monitoring (R2) should address this question and bring it up to the policy and ministerial level. The Project has incorporated action research to identify institutional and administrative blockages and recommend actions to address these.
Limited control over staffing levels reduces LGA procurement performance	High	The Project has incorporated action research to identify institutional blockages and recommend actions to address these. Policy dialogue on the key challenges facing LGAs – including staffing levels – is an explicit activity within the project.

3.8.4 Sustainability risks

Risks	Risk Level	Alleviation measure
High staff turnover prevents long-term capacity building	High	LGAs are characterised by high turnover of staff due to the Government's civil service rules and regulations. This is a risk factor that is outside the direct influence of the Project. As already mentioned the Project management structure focuses on the policy level and bringing these types of issues to the attention of decision makers. Furthermore, PMORALG/RS should be continuously encouraged to ensure that LGA capacity building plans include consideration on this issue and how to mitigate it. PO-PSM

		and MoFEA will be continuously encouraged to commit to ensure staff continuity under the project, and an adequate handover between personnel in case of changes, to provide for continuity and institutionalised institutional learning.
The track record for BTC training/capacity building programmes shows that results are hard to demonstrate. Generally, capacity building programmes struggle to measure and prove results.	Medium	The action research will establish a baseline by which the capacity building efforts can be realistically assessed, through result oriented indicators related to the improvement of service delivery.
The sustainability of project interventions will not be assured unless there is a strong policy dialogue with both GoT and donor stakeholders to feed through the 'lessons learned' and policy recommendations.	Medium	Findings and lessons learned from the project will feed into the ongoing policy dialogue, both between PPRA and its GoT partners, and between Belgium and the donor community. There is an existing forum for donor coordination on the Local Government sector, the Local Government Development Partners Group, of which Belgium is currently the chair. Regular exchange of information will be organized (BTC Representation responsible) between the project and the Belgian experts supporting the Belgian Embassy in its policy dialogue with the Local Government Development Partners Group. As part of follow-up to the Action Research, PPRA and PMO-RALG will prepare communications materials targeting different audiences. The findings of the Action Research will be used by the PIU, PPRA and PMO-RALG to engage in a policy dialogue with the different stakeholders in LGA procurement (e.g. donors, other government ministries and agencies, training institutes, LGAs, RS etc) on improving LGA performance based on the action research. Component 3 includes specific activities in which PPRA will engage with the Tanzanian Parliament Local Authorities Accounts Committee to ensure the communication of policy recommendations and findings from the project.

3.8.5 Fiduciary risks

Fiduciary risk (the possibility of using project funds for other purposes than the intended) is significant due to the nature of the activities that are mainly related to capacity building. Previous audits of BTC programmes in Tanzania identified the difficulty for BTC of controlling the reliability of financial information supplied by projects.

To mitigate those weaknesses, the project will:

- Recruit a strong financial controller able to perform qualitative ex-ante and ex-post controls and introduce when necessary internal control measures.
- Keep payments and flow of funds centralised at the Project Implementation Unit level.
- Strong Project Implementation manual, adequately detailing the training related expenditures (per-diem, accommodation, logistics, materials, etc.), the essential point of control and financial follow-up tools.

Internal and external audits of fund use will be carried out; one value for money audit will be coupled with the Mid-Term Review. There will be frequent monitoring and evaluation (M&E) of project activities. All these measures put together will bring the risks to an acceptable level.

4 Ressources

4.1 Financial resources

The program will be implemented over a five (5) year period within the budget framework provided by Belgium.

The detailed budget is provided in section 4.4 below.

Tanzanian contribution

It is foreseen that the Tanzanian contribution mainly will be in kind, more specifically, PPRA will contribute for a total amount of EUR 264,000 to the intervention, through among others:

- office space for the Project Implementation Unit for the full duration of the intervention: 48,000 EUR
- a Project Coordinator: PPRA will contribute the full-time Project Coordinator (National Manager) to the intervention for the full duration of the project: 150,000 EUR.
- PPRA will assign one staff member from its Research Department (20% full-time equivalent), to serve as a member of the team conducting action research (component 4) for the full duration of the project (18,000 EUR). Other PPRA staff will contribute to the project as their expertise is required.
- PPRA will assign one staff member as Procurement Focal Point (20% full-time equivalent),, to serve as members of the PIU for the full duration of the project (12,000 EUR).PMO-RALG will assign one staff member to serve as Liaison Officer to the PIU (50% full-time equivalent – project matching contribution up to 100%), for the full duration of the project (36,000 EUR).

The total amount represents at least 5% of the Belgian contribution.

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Contribution Tanzanian partner

Description	Unit cost	N°of Months	Amount in Euro
Office space	800	60	48.000
Project coordinator (100%)	2.500	60	150.000
Staff Research department (20%)	1.500	60	18.000
Staff Procurement Focal Point (20%)	1.000	60	12.000
Liaison officer (50%)	1.200	60	36.000
Amenities (Electricity, water, . . .)			PM
Total			**264.000**

4.2 Human resources

BTC will recruit:

- One international sector expert (co-manager) – general ToR in Annex 7.3
- Financial Controller; general ToR in Annex 7.3
- Accountant - general ToR in Annex 7.3
- Secretary - general ToR in Annex 7.3
- Driver.

BTC will recruit the International Sector Expert as per Belgian rules and regulations through BTC headquarters in Brussels. The short listed candidates will be presented to the Resident Representative and to the PPRA for advice.

The Financial Controller, Accountant, secretary and driver will be recruited through the BTC representation in Dar es Salaam as per Belgian rules and regulations.

PPRA and PMO-RALG will second the following staff members to the project to serve as a Project Implementation Unit members for the full duration of the project:

- Project Coordinator: PPRA will contribute the full-time Project Coordinator (National Manager), Director of Capacity Building and Advisory Services in PPRA,
- PPRA will assign one staff member from its Research Department, to serve as a member of the team conducting action research (component 4) for the full duration of the project. Other PPRA staff will contribute to the project as their expertise is required.
- PPRA will assign one staff member as Procurement Focal Point
- PMO-RALG will assign one Liaison Officer to serve as focal point to the PIU for the full duration of the project. He/she will be available for coordination meetings. This person will be an expert on capacity building and monitoring with good internal relationships within PMO-RALG and with Hombolo LGTI.

If there is a need to have more time contribution from the partner staff seconded to the project, the project can reimburse additional costs at the terms of service of the partner.

The BTC will also provide back stopping support to the project.

The organizational chart below in section 5.1.2 provides a visual representation of the institutional structure of the project.

Experts for implementation of specific activities described in Chapter 3 will be outsourced by PPRA, PMO-RALG and Hombolo as required.

4.3 Material resources

The following material resources are needed for adequate project execution:

- Two vehicles for project activities, to be shared between the International Sector Expert and other project staff
- Office equipment (office set – tables & chairs, shelves and other accessories)
- IT equipment (desk top computers, laptop, printers, photocopier, projector and related softwares)
- Telecommunication facilities (telephone, fax, internet)
- Office services and maintenance (electricity, water, insurance, and office supplies)

The PIU staff will be accommodated in the PPRA Coast Zonal Office to be located at Kurasini near Tanzania Ports Authority HQ, which PPRA has agreed to provide. BTC will support the refurbishment of the office. At the start of the project, the exact costs will be determined.

Provision for the following office equipment is made in the project budget: shelves, accessories, computers, printer, scanner, copier, fax, camera, phone, projector, software.

Equipment needed for the PIU will be allocated by the project budget in own-management.

The two cars will be used by the Project team for the purpose of coordination and monitoring. The cars will be used only in the course of project activities. No personal use by anyone will be allowed.

BUDGET TOTAL				Execution mode	BUDGET TOTAL	%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
A			**Procurement capacities at local government level is sustainably enhanced**		**3.617.305**	**72%**	**234.640**	**806.900**	**1.344.146**	**900.266**	**331.353**
A	*01*		*PPRA capacity to provide long term support to improved LGA*		*2.217.875*	*44%*	*180.000*	*335.000*	*884.438*	*638.438*	*180.000*
A	01	01	Development & refinement of manuals & guidelines	Co-mgt	311.000		-	155.000	156.000	-	-
A	01	02	Dissemination procurement manuals & guidelines	Co-mgt	795.600		-	-	397.800	397.800	-
A	01	03	Development of professional courses	Co-mgt	90.000		-	-	90.000	-	-
A	01	04	Training of TOTs at district (HLG) level	Co-mgt	121.275		-	-	60.638	60.638	-
A	01	05	Technical Assistant	own mgt	900.000		*180.000*	*180.000*	*180.000*	*180.000*	*180.000*
A	*02*		*Strengthened systems for monitoring LGA procurement*		*542.700*	*11%*	*7.200*	*170.550*	*170.550*	*97.200*	*97.200*
A	02	01	Harmonising systems & indicators for monitoring compliance at LGA level	Co-mgt	146.700		-	73.350	73.350	-	-
A	02	02	PMO-RALG strengthen RS	Co-mgt	396.000		7.200	97.200	97.200	97.200	97.200
A	*03*		*Civil society and media oversight of LGA procurement is supported*		*520.470*	*10%*	*-*	*146.505*	*244.500*	*119.970*	*9.495*
A	03	01	PPRA provides guidance and materials to CSO	Co-mgt	53.070		-	26.535	26.535	-	-
A	03	02	PPRA provides guidance and materials to media	Co-mgt	429.420		-	110.475	208.470	110.475	-
A	03	03	PPRA engages with the Parliament LAAC	Co-mgt	37.980		-	9.495	9.495	9.495	9.495
A	*04*		*Action research, incentives and organisational structure*		*336.260*	*7%*	*47.440*	*154.845*	*44.658*	*44.658*	*44.658*
A	04	01	Action research on LGA procurement practices, incentives and organisational structure	Co-mgt	189.760		47.440	142.320	-	-	-
A	04	02	Follow up to action reasearch	Co-mgt	50.100		-	12.525	12.525	12.525	12.525
A	04	03	Assessment of methodology, results and impact.	Co-mgt	96.400		-	-	32.133	32.133	32.133
X			**Budgetary reserve**		**466.615**	**9%**	**-**	**-**	**-**	**-**	**466.615**
X	*01*		*Budgetary reserve*		*466.615*	*9%*	*-*	*-*	*-*	*-*	*466.615*
X	01	01	Budgetary reserve CO-MANAGEMENT	Co-mgt	305.800						305.800
X	01	02	Budgetary reserve OWN MANAGEMENT	Own mgt	160.815						160.815

BUDGET TOTAL				Execution mode	BUDGET TOTAL	%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Z			**General means**		**916.080**	**18%**	**273.220**	**226.840**	**118.340**	**191.840**	**105.840**
Z	*01*		*Staff expenses*		*252.560*	*5%*	*55.760*	*49.200*	*49.200*	*49.200*	*49.200*
Z	01	01	Financial Controller	own mgt	150.000		*30.000*	*30.000*	*30.000*	*30.000*	*30.000*
Z	01	02	Accountant	own mgt	42.000		*8.400*	*8.400*	*8.400*	*8.400*	*8.400*
Z	01	03	Secretary	own mgt	24.000		*4.800*	*4.800*	*4.800*	*4.800*	*4.800*
Z	01	04	Driver	own mgt	30.000		*6.000*	*6.000*	*6.000*	*6.000*	*6.000*
Z	01	05	Recruitment costs	own mgt	6.560		*6.560*	-	-	-	-
Z	*02*		*Investments*		*111.770*	*2%*	*111.770*	-	-	-	-
Z	02	01	Vehicles	own mgt	70.000		70.000	-	-	-	-
Z	02	02	Office equipment	own mgt	26.000		26.000	-	-	-	-
Z	02	03	IT equipment	own mgt	10.770		10.770	-	-	-	-
Z	02	04	Office improvement works	own mgt	5.000		5.000	-	-	-	-
Z	*03*		*Operational expenses*		*324.750*	*6%*	*97.690*	*58.640*	*58.640*	*58.640*	*51.140*
Z	03	01	Services and maintenance costs	own mgt	26.500		5.300	5.300	5.300	5.300	5.300
Z	03	02	Vehicle running costs	own mgt	87.000		17.400	17.400	17.400	17.400	17.400
Z	03	03	Telecommunications	own mgt	16.800		3.600	3.300	3.300	3.300	3.300
Z	03	04	Office supplies	own mgt	9.000		1.800	1.800	1.800	1.800	1.800
Z	03	05	Missions	own mgt	50.000		10.000	10.000	10.000	10.000	10.000
Z	03	06	Representation and external communication costs	own mgt	3.000		600	600	600	600	600
Z	03	07	Training	own mgt	30.000		7.500	7.500	7.500	7.500	-
Z	03	08	Consultancy costs	own mgt	95.000		50.000	11.250	11.250	11.250	11.250
Z	03	09	Financial costs	own mgt	1.200		240	240	240	240	240
Z	03	10	Other operational expenses	own mgt	6.250		1.250	1.250	1.250	1.250	1.250
Z	*04*		*Audit* and *Monitoring and Evaluation*		*227.000*	*5%*	*8.000*	*119.000*	*10.500*	*84.000*	*5.500*
Z	04	01	Monitoring and Evaluation costs	own mgt	80.000		-	40.000	-	40.000	
Z	04	02	Audit	own mgt	72.000		-	36.000		36.000	
Z	04	03	Baseline	own mgt	30.000			30.000			
Z	04	04	Backstopping	own mgt	45.000		8.000	13.000	10.500	8.000	5.500
TOTAL					**5.000.000**		**507.860**	**1.033.740**	**1.462.486**	**1.092.106**	**903.808**

OWN MGT	**1.976.895**	**40%**	**453.220**	**406.840**	**298.340**	**371.840**	**446.655**
CO-MGT	**3.023.105**	**60%**	**54.640**	**626.900**	**1.164.146**	**720.266**	**457.153**

5 Implementation modalities

5.1 Legal framework and administrative responsibilities

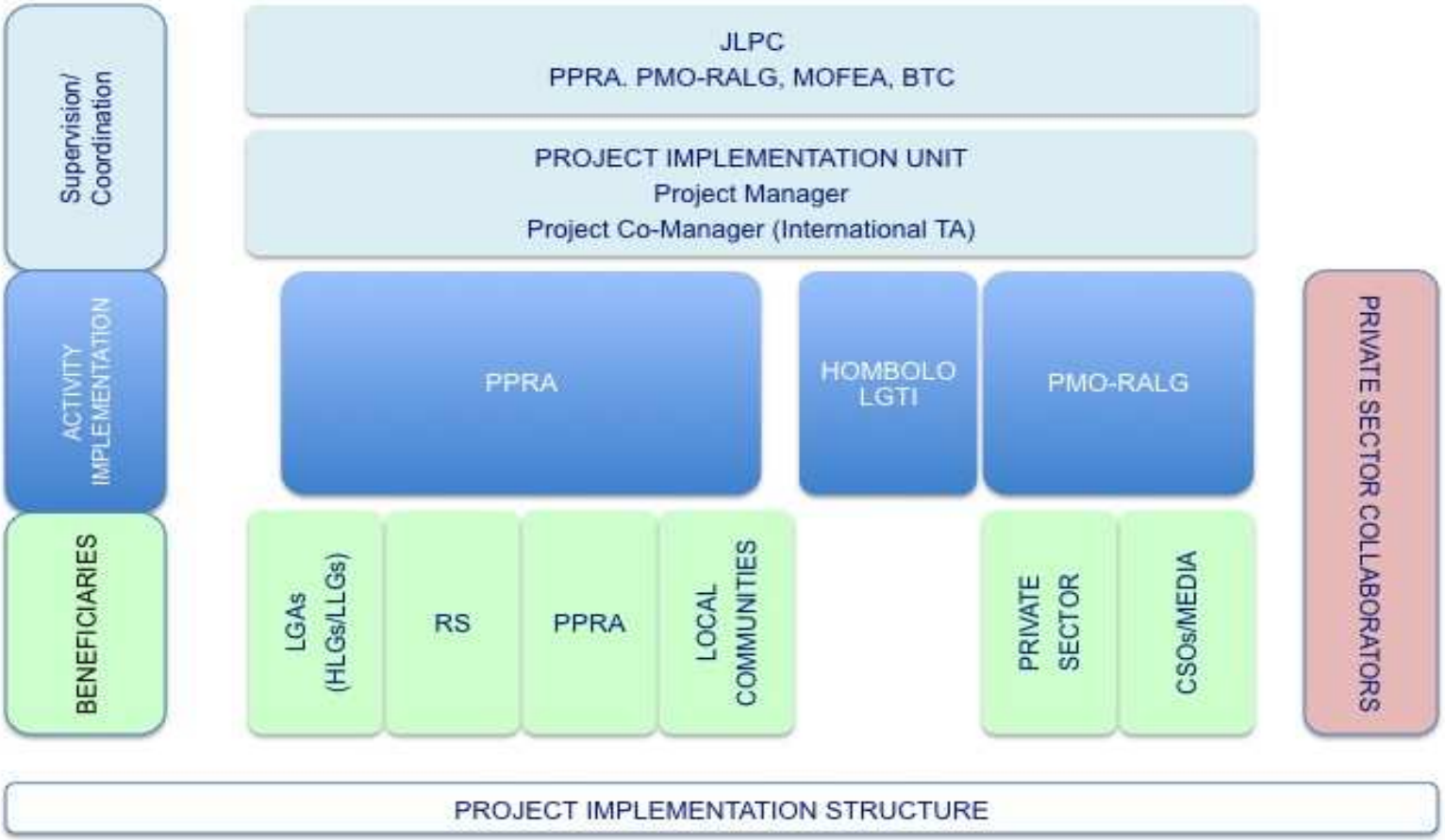
5.1.1 Responsible Ministries and Agencies

The project will be implemented in co-management i.e. the Permanent Secretary of the Ministry of Finance and Economic Affairs (MoFEA) will be the authorising officer while the BTC Resident Representative in Tanzania will be the co-authorising officer of the project. They will have the responsibility of the sound management of the funds as Authorising Officers.

The Director of Capacity Building and Advisory Services within PPRA will be the Project Manager and the International Sector Expert (ISE) appointed by BTC will be the Project Co-manager.

The project will be anchored at the PPRA. Since PMO-RALG is responsible for overall coordination of LGA training and capacity building, PPRA will collaborate with PMO-RALG in implementing the project. The Project Implementation Unit will be located at PPRA. PMO-RALG will assign one of its staff as a Liaison Officer to work closely with the PPRA on issues related to the project. The organizational chart below provides an illustration of the institutional anchorage of the project. The organisational entities through which implementation and follow up will be realized are:

- Joint Local Partner Committee/Steering Committee
- PIU
- PPRA
- PMO-RALG
- Hombolo LGTI


Supervision/ Coordination
JLPC
PPRA. PMO-RALG, MOFEA, BTC
PROJECT IMPLEMENTATION UNIT
Project Manager
Project Co-Manager (International TA)
ACTIVITY IMPLEMENTATION
PPRA
HOMBOLO LGTI
PMO-RALG
PRIVATE SECTOR COLLABORATORS
BENEFICIARIES
LGAs (HLGs/LLGs)
RS
PPRA
LOCAL COMMUNITIES
PRIVATE SECTOR
CSOs/MEDIA
PROJECT IMPLEMENTATION STRUCTURE

5.1.2 Operational Agreements

During the first six months of the project, Hombolo LGTI and PMO-RALG will each sign an Agreement on Responsibilities for Implementation with the project (this may be an initial step towards the development of an MoU at a later stage, to be ratified by the authorities). These will detail the mutual responsibilities of PMO-RALG, PPRA and Hombolo and their relation to each other in the context of the project. The Agreements will stipulate the operational activities that each partner will implement under the project, their roles, responsibilities and the ways they will contribute to the project.

The agreements will be established during the inception phase, before the effective starting up of the activities within the project and in line with the TFF.

The Operational Agreements will take into account following aspects:

- description of activities and related budget and planning;
- description of roles and responsibilities;
- planning and reporting (at least quarterly and annually);

All commitments and payments will be made directly by the PIU (double signature BTC and PPRA). All other implementation partners will be selected following public procurement rules.

5.1.3 Joint Local Partner Committee (JLPC)

A Joint Local Partner Committee will be created at the signature of the Specific Agreement. It represents the highest level of decision-making with regard to the implementation of the project. All decisions of the JLPC are taken in consensus and all ordinary members of the JLPC sign the minutes, drafted by the secretariat.

Within the limitations of the Specific Agreement, the JLPC shall lay down its own internal rules and take its decision by consensus of its members.

The Project Manager and the International Sector Expert will assume the JLPC secretariat.

The JLPC will consist of the following members (6 people):

- PPRA representative (Chairperson)
- PMO-RALG representative
- MoFEA representative (Authorizing officer)
- PCCB representative
- NAO representative
- BTC Resident Representative (Co-authorizing officer)

Within the spirit of cooperation between PPRA and other agencies and the need to build capacity of LGAs, both NAO and PCCB will be willing to be in the SC. Inclusion of NAO and PCCB is within the cooperation agreed in the MOUs which PPRA signed with each of those institutions.

Other relevant persons involved in the project can be invited to participate as observers (i.e. without voting rights), depending on the agenda of the meeting, when a need arises to discuss specific issues.

These can include:

- Civil Society Representative
- ALAT Representatives

Roles and functions of the JLPC

The principal role of the JLPC is to ensure that the project follows the procedures and principles contained in the technical and financial file, to raise awareness of internal and external bottlenecks that might jeopardize the project from achieving its results and take decisions accordingly. The detailed functions of the JLPC will therefore be:

- To approves the annual work plans and budgets.
- To approves the six-monthly progress report, financial report and cash flow report.
- Based on the financial and progress reports as well as audit reports, to follow the effective implementation and to advise on corrective actions to ensure the achievement of the project's objectives
- To monitor the overall project and approve final project reports and final closure of the project. It agrees on the transfer of property at the end of the project.
- To approve the Terms of Reference of the evaluation missions as well as appraise the recommendations of these exercises.
- To approve changes in the TFF and, if required, request any changes to both governments.
- To resolve policy and coordination issues.
- To ensure that the roles and responsibilities of the different agencies and entities involved in the project are clearly defined.

The JLPC/Steering Committee will meet at least twice in a year

5.2 Implementation and follow-up structures

5.2.1 National structures

The PPRA will be responsible for implementation of the activities under the project. In the course of implementation of the project, PPRA will liaise with PMO-RALG to ensure smooth implementation of the project and that there is follow-up on the part of PMO-RALG. PMO-RALG will be a member of the Project Steering Committee (Joint Local Partner Committee).

As employer of local Government Staff, the Prime Minister's Office Regional Administration and Local Government (PMO-RALG) will have the responsibility to oversee the functioning of the LGAs involved in the implementation of the project.

5.2.2 Project implementation Unit (PIU)

A Project Implementation Unit (PIU) will be established to facilitate and manage the implementation of the intervention. PPRA and PMO-RALG will second the following staff members to the project to serve as a Project Implementation Unit members for the full duration of the project:

- Project Coordinator: PPRA will contribute the full-time Project Coordinator (National Manager), Director of Capacity Building and Advisory Services in PPRA,
- PPRA will assign one staff member from its Research Department, to serve as a member of the team conducting action research (component 4) for the full duration of the project. Other PPRA staff will contribute to the project as their expertise is required.
- PPRA will assign one staff member as Procurement Focal Point
- One PMO-RALG Liaison Officer (full-time – the project will match up to 50% of the costs) to serve as member of the PIU for the full duration of the project
- Financial Controller
- Accountant;
- Secretary;
- Driver.

If there is a need for more time contribution from the partner staff seconded to the project, the project can reimburse additional costs at the terms of service of the partner.

A **Project Implementation Manual** will be elaborated during the inception phase of the project by the PIU. This will provide a detailed practical guide for the PIU – based on the TFF - on modalities and procedures for project implementation (financial management, fund flow, monitoring and evaluation, reporting formats and requirements, cash management, institutional set-up etc). The PIM will be approved by the JLPC.

Inception Phase

During the Inception Phase, the PIU will be established, Organizational Assessment will be carried out, ToR for the Action Research (Component 4) will be drawn up, PIM will be drafted and the Agreements on Implementing Responsibilities will be drawn up with the partners.

As soon as the TFF is approved in the CCQ and JLPC, BTC will contact the partner in order to start the preparation of the Action Research and the Organizational Assessment.

Estabshment of PIU

During the first months of the Inception Phase phase, the international and national Project staff will be recruited, and the Project Implementation Unit will be set up in the office made available by PPRA.

Activities related to the establishment of the PIU include:

- Purchase of office equipment and vehicle for the Project
- Refurbishment of office as required
- The Project Implementation Unit will together with the PPRA Management set-up office routines and reporting systems
- Drafti, validating and approval of the Project Implementation Manual. The project manual will also focus on the expenditures related to the training organisation (per-diem, logistics, accommodations, risks and control measures)
- A first meeting of the JPLC should be planned and held.

Assessment of Organizational Capacity

During the first 3 months, an organizational assessment of the existing capacity of PPRA, PMO-RALG and Hombolo in relation to the project will be carried out. Terms of Reference for the assessment will be drafted by the sectoral expert and Operations Advisor at BTC-HQ and validated by PPRA and BTC-RR. This assessment will be made either by personnel from BTC-HQ and/or by external expertise. In that case the tender will be managed by BTC in own management.

The assessment will examine existing capacity of the partner institutions to manage the project and will define the necessary means to reinforce the partners with regards to the estimated workload. This will be done in close cooperation with the involved partners (PPRA, PMO-RALG, Hombolo) and BTC (RR, OPS and FIN) prior approval by the JLPC.

Agreement on Responsibilities for Implementation

During the first 6 months of the project, Hombolo LGTI and PMO-RALG will each sign an Agreement on Responsibilities for Implementation with the project. This will be drawn up by the PIU and signed between the project and respectively PMO-RALG and Hombolo LGTI.

The Agreements will details the roles, responsibilities and activities of each under the project (see 5.1.2 Operational Agreements).

Project Implementation Manual

A **Project Implementation Manual** will be elaborated during the inception phase of the project, once the Financial Controller and International Sector Expert are in place. This will provide a detailed practical guide for the PIU – based on the TFF - on modalities and procedures for project implementation (financial management, fund flow, monitoring and evaluation, reporting formats and requirements, cash management, institutional set-up etc). The PIM will be approved by the JLPC.

Terms of Reference for Action Research

As soon as possible and at latest 3 months after the beginning of the project, the PIU in close cooperation with BTC (RR, EST, OPS, FIN), PPRA and PMO-RALG, will have to

provide **Terms of Reference for the Action Research** (**component 4),** for review by the first JLPC. The Action Research will be carried out during the first year of the activities, and will inform the design of all other proposed activities under the Project.

The ToR will describe the content and purpose of the Action Research (Component 4), as well as the profile of the consultants who will conduct it. The profile of the consultant should be oriented towards practical (rather than theoretical) skills in devising a cost-efficient program of capacity building in Tanzania.

The Action Research will prepare a detailed roadmap for the project, with a view to informing and shaping the project design. It will contain (a) a needs assessment of capacity building needs (b) a proposed program for the capacity building to be delivered under the project and (c) detailed modalities of how to deliver the training in a practical, cost-efficient way.

Based on the results of that action research, the PIU will propose a detailed action plan defining what are the activities, who should implement them, when, and with what means (human and material). This will involve a reviewing of the financial and technical planning as described in this TFF. This will be approved by the JLPC.

In the same time, the baseline will be drawn and the system of monitoring of the project will be defined.

5.3 Technical responsibilities

5.3.1 Project implementation Unit (PIU)

The PIU will be responsible for the overall coordination and follow-up of the intervention.

DCBAS (Manager)

The Project Coordinator (Manager), on behalf of MoF and PPRA, will be the responsible person for the overall coordination of project activities according to plan and instruction of the JLPC in collaboration with the ISE. He will validate the Project Implementation Manuel (PIM) together with the Co-manager (General ToR in Annex 7).

International Sector Expert (Co-manager)

The International Sector Expert (ISE) will be in charge of all the strategic aspects of the project, the planning and reporting of the activities as well as all the commitments. He will validate the PIM together with the Project Coordinator. He will be responsible for the draw up of consultancy and execution agreements terms of reference (general ToR in Annex 7)

PMO-RALG Liaison Officer

PMO-RALG will assign one full-time staff member to serve as Liaison Officer to the PIU for the full duration of the project (general ToR in Annex 7). The Liaison Officer will act as a focal point for PMO-RALG to the project and will support all activities in which PMO-RALG is involved, listed in Chapter 3.

PPRA Action Research Expert

One Expert from the PPRA Research Department will serve as PIU member focusing on the Action Research (component 4). Other PPRA staff will contribute to the Action Research as specific expertise is required.

PPRA Procurement Expert

One Procurement Expert from PPRA will serve as PIU member providing specialised expertise on procurement regulations, guidelines and procedures.

5.3.2 Roles and responsibilities of BTC

BTC representation in Dar Es Salaam shall facilitate the implementation of the planned activities and the timely transfer of funds from the joint account to the projects' accounts.

BTC will recruit staff, the International Sector Expert, the Financial Controller, Accountant, Driver and Secretary for the project.

Costs of the staff recruited though BTC are directly paid by BTC from the budget under own-management.

5.3.3 Role and responsibilities of PPRA

The proposed project seeks to strengthen the capacity of PPRA to provide long-term support to improved LGA procurement performance. It aims to increase PPRA capacity to carry out its mandate under the 2004 PPA: setting standards for procurement, monitoring compliance of procuring entities, and building procurement capacity in collaboration with the relevant professional bodies.

The project will be anchored at the PPRA. PPRA will chair the JLPC, and the Project Implementation Unit will be located at PPRA.

PPRA will provide office space for the Project Implementation Unit in the PPRA Coast Zonal Office, at Kurasini near Tanzania Ports Authority HQ. PPRA will provide a Project Coordinator (National Manager), one staff member from its Research Department to serve as a member of the team conducting action research (component 4), one staff member as Procurement Focal Point, to serve as members of the PIU for the full duration of the project.

PPRA will collaborate closely with PMO-RALG and Hombolo LGTI throughout the project. In terms of its roles in capacity building and monitoring compliance, PPRA's in-house capacity is limited by financial and staffing constraints. Therefore, outside technical support will be drawn upon where needed. The certified list of Qualified Training Providers identified by PMO-RALG can be contracted by the PIU to provide support where needed.

Under the project, PPRA plays a key role in:

Ensure coordination among all parties to the project, and guarantee the link between operational work at LGA level and feedback to policy-making and decision-making authorities at central level.

- Coordinate the intervention with other GoT and donor projects in the sector in Tanzania.
- Development and refinement of manuals and guidelines (led by PPRA in close collaboration with PMO-RALG/RS and Hombolo LGTI). PPRA will work with

PMO-RALG and Hombolo, assisted by the PIU, to jointly develop, update and refine guidelines on procurement at LGA level, specifying roles and responsibilities of all LGA stakeholders in the procurement process.

- Dissemination of updated procurement manuals and guidelines to LGAs and Regional Secretariats (PPRA and PMO-RALG/RS).
- Development of courses for procurement at higher skills levels (PPRA, PMO-RALG/RS and Hombolo LGTI): PPRA will collaborates with PMO-RALG and Hombolo LGTI to develop advanced level course materials on LGA procurement targeting different skills levels (advanced, management etc
- PPRA and Hombolo prepare case-study material on the challenges, pitfalls and experiences of procurement practice in Tanzania
- Update the list of QTPs who provide front-line training to LGAs; PPRA and Hombolo work with QTPs to ensure QTPs fully understand and can apply the training materials
- Training of TOTs at LGA (HLG) level for training Lower-level Local Governments on procurement issues (PPRA, PMO-RALG and Hombolo LGTI)
- PPRA works with PMO-RALG and Hombolo LGTI to develop training materials targeted to LLG level, based on LLG procurement guidelines
- Harmonizing systems and indicators for monitoring compliance at LGA level (PPRA and other stakeholders)
- Provide guidance and materials to CSOs to increase their skills in tracking and analyzing procurement at LGA level
- Provide guidance and materials to media (radio, TV, local newspapers etc) to increase their skills in tracking and analyzing procurement at LGA level (PPRA and media)
- Engage with the Parliament Local Authorities Accounts Committee to improve their knowledge and awareness of procurement compliance and non-compliance issues at LGA levels

5.3.4 Role and responsibilities of PMO-RALG

The proposed project seeks to strengthen the ability of PMO-RALG to carry out its existing tasks in building LGA capacity to carry out their roles under Tanzanian legislation. PMO-RALG plays a key role in:

- Overall coordination of LGA training and capacity building;
- Monitoring aspects of LGA procurement operations, through the Inspectorate department of PMO-RALG;
- Monitoring and backstopping LGAs through Regional Secretariats, including follow-up on PPRA procurement audits, as well as follow-up on findings by CAG on procurement issues,

- Providing adequate responses/disciplinary actions for LGA staff found to be involved in procurement misconduct, in response to weaknesses identified in PPRA compliance reports and CAG audits;
- In collaboration with MoFEA (and PO-PSM), assisting LGAs to be well staffed with qualified Procurement Management Unit personnel to the required number of staff per LGA.

As described in Chapter 3, PMO-RALG will also play a role under the project in the development and refinement of manuals and guidelines, the dissemination of updated procurement manuals and guidelines to LGAs and Regional Secretariats, updating the list of QTPs, selecting QTPs and ensuring they understand and apply the training materials, reviewing experiences and lessons learned and adapting the dissemination strategy on this basis, the development of courses for procurement at higher skills levels, developing training materials targeted to the Lower LGA level, strengthening RS to provide oversight and support to LGAs, developing TORs for the action research under component 4 (see Chapter 3), and following up on the Action Research.

To facilitate the coordination with PPRA and the PIU and strengthen PMO-RALG's ability to carry out these functions, PMO-RALG will provide a full-time Liaison Officer to the PIU for the duration of the project. The Liaison Officer will act as a focal point for PMO-RALG to the project and will support the activities of PMO-RALG responsibility listed in Chapter 3.

5.3.5 Roles and responsibilities of the Training Entities (Hombolo and QTPs)

Training entities in the context of this project are Hombolo Local Government Training Institution (LGTI) and selected Quality Training Providers (QTPs). The role of training entities will be to provide procurement training to staff in LGAs (offering the standardised training course if selected as QTPs) as well as provide targeted training programmes to LGA staff and CSOs/media institutions. The training institutions may also participate in action research at the beginning of the project and development of training materials. Training entities will be selected by PPRA through competitive tendering process. Hombolo LGTI will continue to carry out its role as a LTI.

The project will seek to strengthen the existing coordination and collaboration between PMO-RALG, PPRA and Hombolo LGTI to carry out their roles envisaged by the Government of Tanzania in building LGA capacity.

During the first year of the project, an 'Agreement on Responsibilities for Implementation' will be drawn up by the PIU and signed between the project and Hombolo LGTI. This will detail the roles, responsibilities and activities of Hombolo under the project.

Specifically, the project will support PPRA and PMO-RALG to work with Hombolo LGTI to develop and refine LGA procurement manuals and guidelines, develop courses for procurement at higher skills levels, prepare case-study material on the challenges, pitfalls and experiences of procurement practice in Tanzania, update the list of QTPs for the standardised procurement course, disseminate information to LGAs about the available QTPs, select the best QTPs to provide the training, based on the existing criteria

developed by PMO-RALG, and ensure QTPs fully understand and can apply the training materials. It will also support PPRA and PMO-RALG to work with Hombolo to develop training materials targeted to LLG level, based on LLG procurement guidelines, and train QTPs in LLG manuals and guidelines (the selection of QTPs for LLG training will be done by PMO-RALG, PPRA and Hombolo).

5.4 Financial responsibilities

5.4.1 Financial Controller (ToR in annex 7.3)

The Financial Controller is responsible for the sound use of funds within the project activities and the effective and efficient management of the resources of the project. The Financial Controller works under direct supervision of the international sector expert for all own-management expenses; and of both mangers for al Co-management-related expenses. He is directly assisted by the accountant on accounting and financial issues and by the secretary on administrative issues. The Financial Controller's responsibilities include among others; budgeting and financial planning, financial activity reporting, preparing periodic management accounts and statutory reports/returns, management of treasury and assets of the project and handling audit and tax affairs of the project.. He/she will draft the PIM

5.4.2 Accountant (ToR in annex 7.3)

The accountant works under the responsibility of the Financial Controller on a variety of finance-related tasks including the banking, cheque and cash management, financial administration and budgeting, maintaining proper records and accounts of the project. The Accountant keeps the accounting records and ensures that they are accurate and up to date and that they are properly reconciled with bank records.

5.5 Financial modalities

5.5.1 Bank accounts and signing authorities

5.5.1.1 Co-management

The funds under co-management will be disbursed via BTC-Brussels to the main account in EURO at a Commercial Bank in Tanzania. The signatories of this account will be the Permanent Secretary MOFEA as the Tanzanian authorising officer and the BTC Resident Representative in Dar-Es-Salaam as co-authorizing officer/co-director,

BTC together with PPRA will open an operational account in TSH for the co-management funds at a Commercial Bank in Tanzania. This account will be named "BTC project – co-management -PPRA" and shall operate by double signature.

Signature 1	Signature 2	Ceiling
Manager	Co-Manager	25,000€
Authorising Officer	Co-Authorising Officer	Depends on the MOFEA rules and regulations - representation

Transfers from the main euro account will replenish this bank account. It is aimed for the activities and the amount on this account will be limited to avoid exchange rate loss.

5.5.1.2 Own-management

The funds that fall under own management are managed directly through a BTC account, following the internal rules and procedures of BTC. BTC will open a specific account named “BTC project – Regie - PPRA” in EURO at a commercial bank. If necessary, an additional account in local currency can be opened.

5.5.2 Flow of funds

5.5.2.1 First transfer

After signing of the implementation agreement between the Belgian State and BTC, a first request for funds can be done and introduced to the BTC local representative based on the action plans and the financial needs (financial planning). The requested amount should correspond to the financial needs of the first three months of activities and will follow the BTC internal procedures

5.5.2.2 Subsequent transfers

To receive the following requests, the Financial Controller must introduce a cash call (by financial mode) to the BTC Representative at the beginning of the month before the next quarter. This cash call must be signed by the Project Managers and approved by the Authorising and Co-authorising Officers.

The amount of the transfer equals the estimated needs of funds for the following three months with a reserve.

The transfer of funds by BTC is done at the beginning of the quarter.

The subsequent transfer of funds is done only if:

- The accounting for the previous period has been closed and has been transmitted to BTC Representative.
- An updated financial planning of the current quarter has been transmitted to BTC Representative.
- The amount of the request does not exceed the budget balance.
- The quarterly budget and planning follow-up is timely, complete and reliable.

It is possible to submit an urgent cash call with a written explanation of the unforeseen circumstances

5.5.3 Accounting

The accounting of the project must be elaborated using the BTC accounting tool and respecting BTC internal procedures. The accounting must be signed by the Project Manager and Co-manager and sent to the Co-authorising Officer, the BTC Resident Representative

The following must be forwarded by the project to the BTC Resident Representative:

- Electronic account files.

- Bank statements and signed cash statements.
- All supporting documents

Particular attention will be paid to the advances and cheques; the Project Implementation Unit will do a close follow-up.

Strict thresholds for petty cash use and payments will be set in the PIM.

5.5.4 Financial Planning

Every quarter, the Financial Controller with the International Sector Expert and the Project Manager will prepare a financial planning for the current quarter and upcoming quarters of the current year and the future years.

The quality of the planning will be assessed and reviewed; the transfers of subsequent funds will be subjected to the quality of such planning.

The financial planning must be done in accordance with the BTC internal procedures and must be sent to the BTC Representation.

The financial planning will be closely linked to the operational activities and will constitute disbursements best estimates for the coming periods.

5.5.5 Budget management

The total budget amount cannot be exceeded. If a budgetary increase is necessary, a supported request for increase must be introduced at the Belgian State after having received the agreement of the Steering Committee. If Belgium accepts the request, an exchange of letters between the two parties must follow.

The budget of the project gives the budgetary constraints in which the project must be carried out. The Steering Committee, on the basis of proposals worked out by the project management, must approve each change of budget. The possible budgetary changes are:

- Change of the budget structure
- Transfer of resources between existing budget lines
- Use of the reserve allocation. The budgetary reserve can only be used for project activities and after approval of the SC. Its use must always be accompanied by a change of the budget.

The management of a budget change must be made according to BTC procedures.

In order to facilitate the start-up of the intervention, commitments and expenses may be made before the signature of the Implementation Agreement between Belgian Government and BTC. These shall concern logistics and human resources for a maximum amount of 138.430 EUR.

Start up costs				**137.430**
A - Procurement capacities at local government level is sustainably enhanced				**15.000**
A	*05*		*Technical Expertise*	*15.000*
A	05	01	Technical Assistant	15.000
Z - General Means				**122.430**
Z	*01*		*Staff expenses*	*10.660*
Z	01	01	Financial Controller	2.500
Z	01	02	Accountant	700
Z	01	03	Secretary	400
Z	01	04	Driver	500
Z	01	05	Recruitment costs	6.560
Z	*02*		*Investments*	*111.770*
Z	02	01	Vehicles	70.000
Z	02	02	Office equipment	26.000
Z	02	03	IT equipment	10.770
Z	02	04	Office improvement works	5.000

5.5.6 Procurement of goods and services

Procurement of goods and services for budget under own-management will follow the Belgian procurement rules.

Procurement of goods and services for budget under co-management will be done in conformity with Tanzanian regulations.

5.5.7 Auditing

Financial and systems (operational) external audits will be foreseen after one year of implementation and at the end of the third year. Theses audits will be financed out of the own-management lines and carried out by the auditors according to the BTC framework contract in force[20]. The terms of references will be agreed with the JLPC[21].

Jointly with the Mid-Term review, and to alleviate the risks of misused of funds, a value-for-money audit will be carried out. BTC will elaborate the Terms of Reference and select a qualified audit firm (ISA standards). The ToR of references will be shared with the JLPC[22].

The auditor's reports will be presented to the JLPC. The Project Managers have to elaborate an action plan, in order to improve the procedures and to prove that corrective measures have been taken. This action plan will be presented to the JLPC. A quarterly follow-up of the action plan has to be sent to the Authorising Officers.

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[20] Please note that the audits carried out by the project are done with the BTC framework contract. The Terms of Reference are drafted by the project team and validated at BTC HQ, and reports are shared with the JLPC and with the Auditor General and PPRA internal auditors if requested.

21 Please note that this section refers to BTC audits. Other on-the-spot checks can be carried out by BTC auditors and Belgian "Cour des Comptes"

22 Please note that the value for money audit is not included in the MTR but carried out in parallel in order to enhance the quality of observations and conclusions. It is now regularly included in the TFF for BTC projects. The Terms of Reference will be shared with the Audit Office.

The LGA internal auditors will share their reports with the JLPC when the project activities are encompassed in their audit planning.

The Tanzanian Audit Office will share with the JLPC any issues or recommendations they may have after a LGA audit and concerning the project activities

Each year an Audit Committee reviews the accounts of BTC. Within this framework, the Audit Committee may also carry out audits of programmes in Tanzania. The Audit Committee of BTC may also request that BTC's internal auditor audit a specific programme[23].

5.6 Reporting

The quality (reliability, timeliness, completeness) of the reporting will determine the future disbursements for the project. Unsatisfactory documented explanations could lead to funds transfer suspension until further notice. The Authorising and Co-authorising officers will lead the additional enquiries to obtain the quality level required and assurance that the funds are correctly followed. All this process must be documented

5.6.1 Financial Reporting

5.6.1.1 Budget and planning follow-up

The Financial Controller together with the Project Managers will provide the Authorising and Co-Authorising Officers with a budget and planning follow-up on a quarterly basis. It should be submitted no later than 45 days from the end of the previous quarter. It will include among others:

- A statement showing for the period and cumulatively (program life or year to date) inflows and outflows by main expenditure classifications;
- Opening and closing cash balances of the co-management bank accounts;
- A narrative highlighting the discrepancies with the previous periods;
- Supporting schedules comparing actual and planned expenditures with detailed deviation analysis between actual figures and budgeted ones;
- Cash forecast for the following six months.
- A comprehensive risk analysis on operational and financial ground;

This report will clearly identify the difference between what has been planned (on an operational and financial ground) what has been implemented, the reasons for not respecting the planning, clear action plan with corrective measures, responsible and deadlines. The template will be defined in the project manual. It will be coordinated with the operational reporting.

5.6.1.2 Annual Financial Report

At year-end (July) and no later then 45 days after the end of the month, the Project Implementation Unit will present a consolidated report of the budget and planning follow-

[23] Please note that the text in 5.5.7 is standard BTC practice

up[24].

This report will put in perspective all strengths and weaknesses of the project, including a lesson's learned part. It will detail the actions that will be put in place to allow the achievement of the objectives within the set timeframe and the economic and efficient use of funds.

5.6.2 Operational Reporting

The PIU will be responsible for the coordination of the planning and the establishment of the work plans and budgets. In that perspective the planning and reporting of the activities will be included in an overall reporting format following the agreed deadlines. The PIU will:

- update work plans based on BTC procedures and templates (compiling information regarding operations, procurement and financial planning).
- compile the information for the six-monthly implementation reports (semi-annual review of the planning), which will be presented to the JLPC.

The progress report includes narrative information, and output indicators linking financial information with physical progress, and highlighting issues that require attention (updated risk analysis). It will also include:

- A Contract listing which will reflect all signed contacts, there value and how much have been disbursed under each as at the report date.
- A Commitment listing which will reflect all committed amounts for the next six months.

It is presented on a quarterly basis and make integral part of the Budget and Planning Follow-up.

A result oriented annual report will be produced according to the BTC templates and endorsed by the JLPC.

5.6.3 Reporting to the Steering Committee

At the Project Steering Committee meeting, the Project Implementation Unit will present the following financial information:

- Budget and planning follow-up reports
- Annual Financial reports
- Operational Progress reports including contract and commitments listing
- Budget change proposal if needed
- Action plan related to audit recommendations and updated follow-up of implemented corrective actions.

[24] The timing of these reports can depend on the effective starting date of the project's activities, and be conducted in July or December.

5.6.4 Summary Reporting

The table below presents the synthesis of the various types of operational and financial reports. This table is not exhaustive and the parties can agree on additional reports.

Report	Responsible	Content	Destination
Quarterly Budget and Planning Follow-up	FC and Project Managers	Technical and Financial report Quarterly Cash Flow Projections	BTC/PPRA
Semi-annual Progress Report	FC and Project Managers	Updated quarterly Budget and planning follow-up Report Operational Report	BTC/Steering Committee
Annual report	PIU	Result oriented Progress report + annual financial report	BTC/Steering Committee, attaché, DGD
External audit	Auditing firm	Financial audit + value for money	BTC/Steering Committee, attaché
MTR report	BTH HQ / External consultant	External Mid term review	BTC/Steering Committee, attaché
Final report	BTC HQ / External consultant	Provisional acceptance of program activities	Steering Committee, BTC and DGD

5.7 Modification of the TFF

The formal agreement of the Belgian State and the Tanzanian Government is needed to change the duration of the Specific Agreement, the total financial contribution or the specific objective of the project.

The request of the above modifications has to be motivated by the Project Implementation Unit and approved by the Steering Committee. The exchange of letters requesting these modifications shall be initiated by the Tanzanian Government and shall be addressed to the Belgian Embassy.

The following changes need to be approved by the Steering Committee:

- The mode of operation of the Project Fund;
- The financial modalities: changes in budget line from co-management to management under Belgian laws and regulations or vice versa;
- Project results and their respective budgets;
- Indicators at the level of specific objective and of results;
- Composition and responsibilities of the Steering Committee;
- The mechanism for approving changes to the TFF.

5.8 Monitoring and evaluation

5.8.1 Impact of the intervention

5.8.1.1 Baseline survey

A baseline survey will be carried out at the start of the project to document the starting scenario. The indicators for the baseline should be linked to those in the Logical Framework. The baseline will review and/or complement the existing set of indicators with a specific focus on gender. Finally the study will define the permanent monitoring scheme of the project. The indicators will be evaluated at least once a year to provide reliable information for the annual report.

5.8.2 Mid Term Review (MTR)

An independent mid term evaluation, following BTC regulations, will be undertaken after completion of half the duration of the project.

The Terms of Reference will be prepared by the PIU, BTC and PPRA and forwarded to the Steering Committee for approval. The overall process will be supported by BTC HQ. External short-term consultants will be recruited for this exercise.

Jointly with the Mid-Term review, and to alleviate the risks of misused of funds, a value-for-money audit will be carried out. BTC will elaborate the Terms of Reference and select a qualified audit firm (ISA standards). The ToR of references will be shared with the JLPC.

The key purpose shall be to assess performance, identify strategic changes that need to be implemented in the second half of the project and identify lessons learnt in the first half of the project lifespan. The objective of the Mid-term Review is to assess the progress of the whole project results against planning (efficiency) and the extent to with the project results and objective are going to be achieved during the course of the intervention (effectiveness). The Mid-term Review will also examine the financial, institutional and managerial setting of the intervention. The mission will formulate recommendations for the second half of the project implementation period. It will insist in particular on the mechanisms that have been / or should be put in place to ensure sustainability of project results. Its findings and recommendations will be presented to the Steering Committee.

The Steering Committee will take appropriate decisions on the proposed recommendations. The mid-term evaluation can suggest revisions of the program TFF, including the logical framework or implementation modalities. These proposed changes should be appraised by the Steering Committee

5.8.3 End of Project Evaluation

A final external evaluation will be conducted at the end of the project implementation. The evaluation mission will gather the required information through direct contact with implementers and program beneficiaries, through a review of program documents and in depth analysis through questionnaires. The PIU will facilitate the evaluation missions.

It will be conducted approximately six (6) months before the end of the project.

The main objective of the final evaluation will be focused on lesson learnt.

Amongst the other aspects to be covered in the final evaluation are basic criteria such as relevance, efficiency, effectiveness, sustainability, coherence and impact. Other evaluation aspects will include HARMO-criteria such as harmonisation, alignment, managing for results, mutual accountability and ownership. It can also consider transversal/cross-cutting themes such as gender equality, environment, children rights, HIV/AIDS and social economy.

The conclusions of this exercise will be presented to the JLPC for approval. The JLPC will take timely and appropriate decisions on conclusions and proposed recommendations, which may also feed any new project in the same sector.

5.9 Closure of the project

The program will have a non-expandable lifespan of four years, with an additional six months for the Inception Phase and six months for Closure, bringing the total duration of activities to five years. The Steering Committee decides on the closure process six months before the end of the program. The project management will submit a final narrative, technical and financial report to the Steering Committee. The report will comprise among others; an overview of the realized activities and include a survey of the status and opinion of a representative sample of beneficiaries related to the impact of the Project. The project management in collaboration with the Representation will prepare all these reports including the financial statement according to BTC closing guideline and procedures.

BTC must check the financial statement before it is presented to the closing Steering Committee.

The Steering Committee will meet not later than three months before the end of the program in order to examine and approve the final draft report of the program according to BTC regulations.

At the end of the project, unused fund in the project bank accounts and the balance in the budget not transferred yet will not be made available for project use. These amounts can only be re-allocated by a decision of the Partner Committee or the joint commission (new IDCP).

After having fulfilled the requirements to end the project, the signatories to the two accounts will officially close the accounts.

Equipment under 'BTC management' remains BTC property and will be handed over to PPRA at the end of the program. BTC will carry out an assessment of the condition of assets to identify assets, which are not in running condition. Assets that are in running condition will be transferred to PPRA and those that are not will be sold and proceeds on disposal transferred to PPRA.

After the end of the Specific Agreement, no expenditure will be authorised except expenditure linked to commitments taken before the end of the Specific Agreement and detailed in the Minutes of the last Steering Committee. In no case will operational expenditures be accepted.

6 Cross cutting themes

6.1 Environment

The project's activities are primarily capacity building, training and organizational development. The project may include purchase of equipment but will not involve any construction or use of natural resources, so the direct environmental impacts will be minimal. However the project shall, in line with the development strategies of Tanzania and the priorities defined in the IDCP, take into account the sustainable use of environmental and natural resources throughout its formulation and implementation. This will be conducted in several dimensions, including in the following:

- **Geographic selection of implementation areas:** the selection of geographical areas for implementation of the project will seek to align with ongoing and foreseen BTC programs, in order to build procurement capacity in those project areas. They include the Beekeeping Support Project, the Kilombero and Lower Rufiji Wetlands Mangement project, the Eastern Selous project, and the planned Decentralized Natural Resource Management Project (LGAs to be identified).
- **Procurement curriculum and training:** the procurement curriculum and training programs offered by PPRA and Local Government Training Institutes to Local Government officials will be reviewed during the Inception Phase of the project, to identify whether they integrate the environmental dimensions of procurement and contract management. This includes procurement of local materials, the sustainable use of natural resources in local government planning and construction, reduction of energy use and promotion of renewable energy sources, sustainable maintenance etc. The program team will dialogue with PPRA to support the integration of 'green procurement' practices into the curriculum and training programs being offered by PPRA and Local Government Training Institutes. BTC is currently devising Green Procurement Guidelines, which can be drawn upon for best practices. Specific consultancy services to ensure integration of environmental dimensions into procurement standards can be considered as part of the project.
- **Management:** during the Inception Phase, steps will be taken to ensure the Project Implementation Unit is managed in an environmentally sustainable way. This can include sustainability of office procurement, purchase of vehicles, transport practices, etc.
- **Transport:** Environmental damage caused by international and national transport related to project activities would be minimised. The project will give 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.

- The project will pay special attention to align with Tanzanian environmental regulations and administrative system, which give a major role to Local Government Authorities.
- The environmental policy, legislative and institutional framework for environmental management in the country, is underpinned by the **national Environment Policy** (1997) and supported by the Environmental Management Act (EMA, 2004). The Environment Policy identifies loss of wildlife habitats and biodiversity; deforestation; land degradation; deterioration of aquatic systems; lack of accessible, good quality water; and environmental pollution as main issues.
- The **Environmental Management Act** is the major legislation for the sector in Tanzania. It seeks to provide a legal and institutional framework for environmental management and for the implementation of the National Environment Policy. The Act outlines principles for environmental management (precautionary principle, polluter pays, public participation) and also provides for impact and risk assessments, prevention and control of pollution, waste management, environmental quality standards as well as compliance and enforcement. The Act also establishes the **Environmental Appeals Tribunal** and the **National Environmental Trust Fund**.
- Responsibilities for its implementation are mandated to the **Division of Environment (Vice President's Office)** for overall coordination, supervision, regulations and policy development.
- The responsibility for monitoring and enforcement are given to the **National Environmental Management Council** (NEMC), which will conduct audits, research and reviews of Environmental/Strategic Impact Assessments (EIAs/SIAs).
- EMA has also given powers to **local government authorities** to implement and enforce the law through the creation of city, municipal and town environmental management officers. EMA also designates environmental functions to certain **local government committees**.

6.2 Gender

Tanzania has formed a Legal Reform Commission to investigate and recommend government reform of any discriminatory legislation. It has created government structures at national, regional, local and village level to facilitate gender awareness-raising and sensitization. Tanzania currently enjoys a conducive political environment to measures in favour of gender equity – the government is a signatory to the Beijing Platform of Action, and the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW), and an active implementer of the two conventions. Tanzanian's political context is therefore favorable to the integration of gender in a cross-cutting manner, following the principle of gender mainstreaming.[25]

[25] Gender mainstreaming concerns planning, (re) organisation, improvement and evaluation of policy processes so that a gender equality perspective is incorporated in all development policies, strategies and

Tanzania's Gender and Development policy's overall objective is to promote gender equality and equal participation of men and women in economic, cultural and political matters. It also focuses on fairer opportunities for women and men, access to education, child care, employment and participation in decision making. Achievements in this field include increased participation of women in decision making in Parliament, Local Government Authorities, Public and Private Sector and Non-Governmental Organizations (NGOs). In addition Gender Focal Points (GFPs) in the MDAs, Regional Secretariat and Local Government Authorities have gender-mainstreamed policies, programmes and strategies.

UN Women Tanzania is supporting the Government of the United Republic of Tanzania to mainstream gender in its budgeting system by enhancing accountability for gender equality and women's empowerment; deepening understanding of decision makers and national partners of effective uses of gender responsive budgeting (GRB) tools and strategies; and strengthening country capacity to institutionalize the application of GRB in the context of the aid effectiveness agenda.

The Strategic Plan on Gender 2006-2011 of the Ministry of Community Development Gender and Children (MCDGC) seeks to strengthen the Ministry's contribution to the implementation of its mandate and the National Strategy for Growth and Reduction of Poverty (MKUKUTA). The vision of the Ministry is to change the mind-set of communities, to promote gender equality and children's rights and socio-economic development with the participation of CSOs. Their mission is "to facilitate communities' socio-economic development through partnership and networking by formulating policies, strategies, guidelines and coordination and monitoring of NGOs activities to enhance communities capacity, gender equality and promote children's rights''.

The following 'immediate objectives' of the Strategic Plan are of relevance to the present program, and can be pursued within it through advocacy, partnership promotion and coordination, mainstreaming and capacity building.

Immediate objective 1: The Ministry and other sector policies, strategies and guidelines take into account gender equality, children rights, Non-Governmental Organizations effective participation, family and community concerns and other equity issues and linkages.

Immediate objective 3: the MCDGC information, monitoring and evaluation systems is in place and in use.

Gender will be integrated into the proposed project in two key ways:

Integration of gender into the Logical Framework:

Gender differentiated indicators will be included in the baseline study, with reference to existing reports. For example, the baseline should assess the level of women's participation in decision-making regarding procurement, including their participation in

interventions, at all levels and at all stages by the actors normally involved therein. (European Parliament and of the Council on Promoting Gender Equality in Development Co-operation, 2004)

Tender Boards, Procurement Management Units, and at different levels in the partner institutions

Gender indicators should be provided to measure participation of women in any training provided under the project

Gender training should be provided for project staff and staff of partner institutions (gender mainstreaming, gender budgeting, integration of gender in guidelines etc)

The inclusion of quotas where appropriate should be discussed with the partner (eg in composition of boards, committees, juries etc)

Positive actions to promote women's participation should be discussed where appropriate – eg promotion of female staff to increase the proportion of women dealing with procurement

Gender expertise should be provided for ensuring that the guidelines, procedures, public procurement rules etc are gender-sensitive

Gender M&E systems and provide assistance for differentiating data collection and data analysis

6.3 Children's Rights

The Formulation Team, in discussion with the partner, found that this theme was not of particular relevance to the project, and that there was not a need for specific activities on this area.

6.4 HIV/AIDS

The Formulation Team, in discussion with the partner, found that this theme was not of particular relevance to the project, and that there was not a need for specific activities on this area.

7 Annexes

7.1 Logical framework

Global Objective			
Ensuring systems and structures of governance uphold the rule of law and are democratic, effective, accountable, predictable, transparent, inclusive and corruption free at all levels			
Specific objective	Performance Indicators	Means of verification	Assumptions
Procurement capacity at local government level is sustainably enhanced	PPRA compliance inspections increase in coverage and frequency Compliance of LGA with procurement regulations is increased	PPRA compliance reports CAG LGA Audit reports CSO Reporting on procurement issues (e.g. NGO 'Twaweza', HakiElimu etc	Government remains committed to fight corruption Civil society engages actively in procurement monitoring and corruption cases LGA continue to enhance their systems and capacity in procurement
Results	Performance Indicators	Means of verification	Assumptions
1. PPRA capacity to provide long-term support to improved LGA procurement performance is strengthened	PPRA Procurement manuals and guidelines for LGAs and LLGs are prepared, updated, reviewed and disseminated in a gender sensitive way At least 1 TOT from each LGA trained (gender disaggregated) Increase in LGA staff trained (gender disaggregated) Improvement of LLGs procurement capacity measured by PPRAs compliance rate At least 50 percent of all LGAs sensitized on procurement systems and tools developed by PPRA; Public procurement curricula for higher LGA skills level and gender sensitive training materials developed and made available; QTP list updated, and QTPs aware of new training materials Technical Assistance is provided through the	PPRA Compliance reports Annual CDG Assessments Project Annual Report	PPRA properly staffed LGAs use the CBGs to enhance procurement capacities through short term standardised courses and using the LGA based TOTs Demand for procurement training by LGAs increases and funding is made available under Capacity Building Grant

	International Sector Expert to reinforce the capacity of project partners, ensure timely implementation of project activities and strengthen the policy dialogue with both GoT and donor partners		

2. The systems for monitoring LGA procurement are strengthened	PPRA Compliance Procurement M&E indicators aligned and revised in a gender sensitive manner PPRA/PMORALG/CAG use same agreed indicators for LGA monitoring Increase in monitoring visits carried by PMO-RALG/RS Increase follow up and action taken by PMO-RALGRS Increase in sanctions/responses implemented by LGAs through PMO-RALG to weaknesses identified in PPRA compliance reports and CAG audits	PPRA Compliance Reports CAG LGA Audit Reports PMORALG/RS Annual Assessments of LGAs	All local government procurement/PFM monitoring agencies such as PPRA, CAG, MOF, PMORALG/RS PPRA and PMORALG/RS actively coordinate and participate in M&E of procurement at LGA level
3. Civil society and media oversight of LGA procurement is supported to better monitor and provide information on procurement performance	Increase in number of CSOs and media representatives trained on procurement issues and their gender dimension Increase in number of radio programmes addressing procurement issues for LGAs 20 Civil Society Organisations (CSOs) identified and enhanced to monitor, report and inform the public on procurement processes and outcomes by 2014, of which a certain percentage will be women's/female-led CSOs or CSOs addressing the gender dimension of procurement; PPRA engages Parliament Local Authorities Accounts Committee and provides it with	Annual CSO reports Newspaper reports from Guardian, Citizen, Daily News etc Radio and TV programmes Interviews with PPRA and PLAAC	CSO and media willing and able to enhance their roles in uncovering procurement malpractice and reporting on these Parliament Local Authorities Accounts Committee makes time to meet with PPRA

	information, policy recommendations and dialogue on LGA procurement issues		

4. Action research on LGA procurement practices, incentives and organizational structures is conducted to inform program design, dialogue and recommendations on policy reform	PPRA and Project Implementation Unit adapt program design to reflect and act on the findings of the action research Action Research in first year provides needs analysis, prioritised capacity building program and practical modalities on how to deliver capacity building training in a cost-efficient way. Policy recommendations are prepared based on the (gender sensitive) action research, and are targeted and communicated to different audiences (donors, LGAs, central government etc) PPRA engages all stakeholders in a dialogue on how to improve LGA procurement performance (with participation of women – gender disaggregated)	Project reports and Mid-Term Review Outputs of Action Research	All stakeholders disclose openly weaknesses and opportunities in the procurement system and processes Strong Terms of Reference are developed and strong consultant(s) found to deliver Action Research

	Activities to reach Result 1	Resources needed (HR, logistics etc)
R 1	Result 1 PPRA capacity to provide long-term support to improved LGA procurement performance is strengthened	
A 1.1	A 1.1 Development and refinement of manuals and guidelines for LGA procurement staff • PPRA updates manuals/guidelines for procurement at LGA level, specifying roles and responsibilities of all LGA stakeholders in the procurement process, with a attention to the roles women and men take in these processes • PPRA updates manuals/guidelines for procurement in LLGs, specifying roles and responsibilities of all actors in the procurement process, with particular attention to the relationship between higher and lower level local governments in the procurement process, and addressing the gender perspective	Staff, office, transport, training materials, expertise
A 1.2	A 1.2 Dissemination of updated procurement manuals and guidelines to LGAs and Regional Secretariats • PPRA and PMO-RALG design a dissemination strategy and prepare dissemination package to ensure the updated guidelines and manuals are transmitted to LGA and RS levels • PPRA tests the package in selected LGAs and RS • PPRA and PMO-RALG update the list of QTPs • PPRA and PMO-RALG review experiences, adapt dissemination strategy according to lessons learned and roll out nationwide, taking into account the gender specific findings	Staff, office, transport, training materials, expertise

A 1.3	A 1.3 Development of professional courses on procurement at higher skill levels In order to provide training at higher skills levels, the following activities will be implemented under this component: • PPRA collaborates with PMO-RALG and Hombolo LGTI to develop gender-sensitive course materials on LGA procurement targeting different skills levels (advanced, management etc) • PPRA together with Hombolo will prepare case-study material on the challenges, pitfalls and experiences of procurement practice in Tanzania • PPRA and Hombolo will collaborate to select the best qualified training providers to provide the training • PPRA and Hombolo work with QTPs to ensure QTPs fully understand and can apply the training materials	Staff, office, transport, training materials, expertise
A 1.4	A 1.4 Training of trainers (TOTs) at LGA (HLG) level for training Lower-level Local Governments on procurement issues • PPRA works with PMO-RALG and Hombolo LGTI to develop gender-sensitive training materials targeted to LLG level, based on LLG procurement guidelines • PPRA works with QTPs to train them in LLG manuals and guidelines (the selection of QTPs for LLG training will be done by PPRA and Hombolo) • QTPs provide TOT training to LGA staff (to be defined) for on-job-training of LLGs	Staff, office, transport, training materials, expertise
A 1.5	A 1.5 Technical Assistance Technical Assistance is provided through the International Sector Expert to reinforce the capacity of project partners, ensure timely implementation of project activities and strengthen the policy dialogue with both GoT and donor partners	

	Activities to reach Result 2	Means
R 2	Result 2 The systems for monitoring LGA procurement are strengthened	
A 2.1	A 2.1 Harmonizing systems and indicators for monitoring compliance at LGA level • PPRA conducts a review of its own monitoring system to verify if its indicators for monitoring LGA procurement compliance are up to date • PPRA reviews the (gender disaggregated) indicators used by other stakeholders (e.g. Annual Assessments under LGDG system, CAG, PAF-PFMRP's joint annual assessment, the LGRP benchmarking system for financial management etc) with a view to harmonizing both sets of indicators • PPRA organizes a dialogue with other stakeholders on alignment of indicators for monitoring LGA procurement performance (stakeholders of female CSOs are invited)	Staff, office, expertise
A 2.2	A 2.2 PMO-RALG strengthens Regional Secretariat to provide oversight, monitoring and follow-up support to LGAs on procurement • PMO-RALG strengthens its monitoring and follow-up of LGA procurement performance • LGAs through PMO-RALG provides adequate sanctions and responses to weaknesses identified in PPRA compliance reports and CAG audits. • PMO-RALG works with Regional Secretariats to support LGA procurement staff, LGA internal audit capacity, LGAs Audit Committee capacity and LGA-level PCCB 'Integrity Committees' to carry out their functions in monitoring procurement performance • Regular Inspection/monitoring visits will be carried out by PMO-RALG/RS to LGAs. • • LGAs through PMO-RALG provides adequate sanctions and responses to weaknesses identified in PPRA compliance reports and CAG audits.	Staff, office, transport, expertise

	Activities to reach Result 3	Means
R 3	Result 3 Civil society and media oversight of LGA procurement is supported to better monitor and provide information on procurement performance	
A 3.1	A 3.1 PPRA provides guidance and materials to CSOs to increase their skills in tracking and analyzing procurement at LGA level, in a gender sensitive way. • PPRA prepares tools targeted to help CSOs (in particular women's CSOs) monitor procurement at grassroots level and disseminate the information to communities. PPRA designs materials targeting civil society that empower CSOs to access, analyse and publicise information about LGA procurement practices and performance • PPRA trains CSOs (in particular women's CSOs) on how to use the tools developed. PPRA works with CSOs to use the materials for their work • PPRA provides tools and training to LGAs Audit Committee to better carry out their work in monitoring LGA procurement performance	Staff, office, transport, training materials, expertise
A 3.2	A 3.2 PPRA provides guidance and materials to media (radio, TV, local newspapers etc) to increase their skills in tracking and analyzing procurement at LGA level. • PPRA develops materials and tools targeted to Tanzanian media (eg local radio, newspapers, TV etc), to help them disseminate and debate information on LGA procurement practices and issues. • PPRA engages with media outlets (newspapers, radio, TV etc) to disseminate and train them in the materials	Staff, office
A 3.3	A 3.3 PPRA engages with the Parliament Local Authorities Accounts Committee to improve their knowledge and awareness of procurement compliance and non-compliance issues at LGA levels • PPRA makes contact with Tanzanian Parliament's Local Authorities Accounts Committee, organises meetings and dialogues, and provides information, to encourage them to exert their pressure on government, and actively inquire into procurement performance at LGA level	Staff, office, transport

	• PPRA transmits information and policy recommendations to the Parliament Local Authorities Accounts Committee through meetings, written policy recommendations and workshops with other stakeholders, to ensure frequent dialogue on LGA procurement issues	

	Activities to reach Result 4	**Means**
R 4	Result 4 Action research on LGA procurement practices, incentives and organizational structures is conducted to inform program design, dialogue and recommendations on policy reform	
A 4.1	A 4.1 Action research (gender sensitive) on LGA procurement practices, incentives and organizational structures is conducted to inform program design, dialogue and recommendations on policy reform Terms of Reference for the Action Research will be drawn up by the PIU together with BTC and PPRA, for review by the JLPC. These will describe the content and purpose of the research, the profile of the consultants who will conduct it, and a representative sample of study sites. The profile of the consultant carrying out the Action Research should be oriented towards practical (rather than theoretical) skills in devising a cost-efficient program of capacity building in Tanzania. Among the topics that will be covered in the ToR will be: (h) Situation/needs analysis of current LGA procurement practices, organizational structures and capacity gaps among stakeholders involved in LGA procurement. (i) Analysis of the incentives for LGAs to perform their procurement functions correctly, and recommendations to improve these incentives (j) Proposals for strengthening the sanctions for non-compliance with audit results. (k) Prioritised training program to be delivered under the program, based on the analysis, identifying institutional capacities to deliver training, with short, medium and long-term measures to be taken (l) Practical, feasible, actionable and detailed modalities on how to deliver the training in a	Staff, office, transport, expertise

	practical, cost-efficient way in the Tanzanian context. These will be used to inform the design and implementation of the capacity building under the project. (m) Policy recommendations on improving LGA performance, to inform BTC and PPRA policy dialogue with donors, other government ministries and agencies, training institutes, LGAs, RS etc) (n) Assessment of feasibility of introducing environmental and/or climate-change related indicators into PPRA's regular monitoring of LGA procurement compliance and its indicators (if this change to LGA procurement indicators is accepted and approved, a follow-up to this can be made in a sustainable manner) (o) Specific recommendations on measures to improve the procurement practices and performance of the LGAs/RS in which the study is conducted (p) Specific recommendations on integrating the gender dimension into capacity building and ensuring the gender-neutrality of procurement practices.	

A 4.2	A 4.2 Follow-up to the Action Research • PPRA, PMO-RALG and the consultants carrying out the research prepare gender-sensitive communications materials based on the action research targeting different audiences (e.g. PowerPoint presentations, briefing notes etc) • The findings of the Action Research will be used by the PIU, BTC, PPRA and the JLPC to shape the design of the training/capacity building program to be delivered under the project. • PPRA and PMO-RALG engage in a policy dialogue with the different stakeholders in LGA procurement (e.g. donors, other government ministries and agencies, training institutes, LGAs, RS etc) on improving LGA performance based on the action research.	Staff, office, transport, expertise
A 4.3	A 4.3 Assessment of the Methodology, Results and Impact The Action Research component will continuously be used during the lifespan of the project to measure and monitor the improvements in capacity and compliance, resulting from the new tools for capacity building that will be developed by the Project, both at the start and during the project.	

7.2 Implementation calendar

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20
RESULT 1: PPRA capacity to provide long-term support to improved LGA procurement performance is strengthened																				
A 1.1 Development and refinement of manuals and guidelines for LGA procurement staff						X	X	X	X											
A 1.2 Dissemination of updated procurement manuals and guidelines to LGAs and Regional Secretariats								X	X	X	X	X	X	X	X	X				
A 1.3 Development of professional courses on procurement at higher skill levels									X	X	X									
A 1.4 Training of trainers (TOTs) at LGA (HLG) level for training Lower-level Local Governments on procurement issues											X	X	X	X						
RESULT 2: Strengthened systems for monitoring of LGA procurement																				
A 2.1 Harmonizing systems and indicators for monitoring compliance at LGA level						X	X	X	X	X	X	X	X							
A 2.2 PMO-RALG strengthens Regional Secretariat to provide oversight, monitoring and follow-up support to LGAs on procurement							X	X	X	X	X	X	X	X	X	X	X	X		
RESULT 3: Civil society and media oversight of LGA procurement is supported to better monitor and provide information on procurement performance																				
A 3.1 PPRA provides guidance and materials to CSOs to increase their skills in tracking and analyzing procurement at LGA level.									X	X	X	X	X	X						
A 3.2 PPRA provides guidance and materials to media (radio, TV, local newspapers etc) to increase their skills in tracking and analyzing procurement at LGA level.							X	X	X	X	X	X	X	X						
A 3.3 PPRA engages with the Parliament Local Authorities Accounts Committee to improve their knowledge and awareness of procurement compliance and non-compliance issues at LGA levels					X	X	X	X	X	X	X	X	X	X	X	X	X	X		
RESULT 4: Action research on LGA procurement practices, incentives and organizational structures is conducted to inform program design, dialogue and recommendations on policy reform																				
A 4.1 Action research on LGA procurement practices, incentives and organizational structures is conducted to inform program design, dialogue and recommendations on policy reform		X	X	X	X	X														
A 4.2 Follow-up to the Action Research						X	X	X	X	X	X	X	X	X	X	X	X	X		
A 4.3 Assessment of methodology, results and impact									X	X	X	X	X	X	X	X	X	X		
Set-up of the PIU / Organizational Assessment ToR for the action research / drafting of PIM	X	X																		

7.3 ToR long-term personnel

7.3.1 Project Accountant

Basic functions

The accountant is responsible for a variety of finance-related tasks including the ones listed below).

He/she works under direct supervision of the financial officer. The secretary can assist him/her in his tasks.

Main duties and responsibilities

Banking & cheque and cash management

- Prepare, register and keep cheques
- Prepare staff payroll for bank transfers at the end of each month.
- Ensures all invoices from external parties (contractors, suppliers,…) are paid in due time, by bank transfer, cheque or cash and arrange those documents by date: her/his task of preparing bank transfer and cheque documents. And manage pipe line payment to external parties.
- Check and approve document requested by Secretary and further the request to Finance officer then finally to co-manager for final approval.
- Attend and record all bank transactions, maintain bank accounts, ensure monthly bank statements and account overviews
- Final responsibility for the cash management, and supervision of secretary in this task: this includes regular daily cash counts, verification of balance of cash book and cash-on-hand, assistance of cashier in solving imbalances, establishment and signature of cash count statements.
- Ensure liquidation of any internal advances and update advance outstanding by the end of each month and report to Finance officer.
- Responsible for sound cash planning & cash withdrawals, so as to avoid cash shortages or large amounts cash in safe (security issue).
- Updates fixed asset register, follow up consultancies, contractor contract and stock of stationary.

Financial activity reporting

- Record all project expenses properly in FIT, following guidelines and within the deadlines the latest 15th of the following month.
- Produce FIT statements for control by PMU management/financial officer, make all necessary corrections and make all preparations for the monthly closing of the accounting.
- Supervise daily entry of expenses in the cashbook by cashier.
- Produce FIT statements for control by financial officer, make all necessary corrections and make all preparations for the monthly closing of the accounting.
- Supervise daily entry of expenses in the cashbook by secretary.
- Check and control to ensure quality and completeness of justification and supporting accounting documents of all expenses following guidelines

- Ensure accounting coding and budgeting lines are corrects: this includes verification of financial reports, expenses and supporting documents.
- Keep tack accounting data by putting reference as GT and AT on the specific documents on the monthly basic.
- Ensure monthly balance of FIT/Cashbooks/Cashboxes and bank statements are the same, and responsible for completion and approval of reconciliation statements if any.
- Responsible for transparent and consistent filing of all accounting, banking and cash management documents (that arranged by secretary).
- Organize that copy of all supporting Bank documents and check cash document copy by cashier, before sent to LAF on a monthly basis.

Financial Administration

- Check to ensure correct application of allowances.
- Assist financial officer with a variety of tasks: e.g. cost calculations, filing finance-related documents, monthly and weekly financial planning, managing pipeline payments…etc.

Budgeting and financial planning

- Provides all necessary accounting data and information to the financial officer, for him to be able to follow up on budget and planning.
- Assist financial officer in the elaboration of reports, budgets or plans.

Profile:

- Degree in accounting;
- Minimum 5 years experience accounting and project administration;
- Experience with an international organization or NGO;
- Very good hands-on knowledge of excel and word is a must. Other programs (Database, accounting programs) a strong advantage;
- Proficient in English;
- Mature, good communicator and team player;
- Able to work under stressful conditions and not objecting to overtime and field missions.

7.3.2 Financial Controller

The Financial Controller is responsible for a variety of finance-related tasks including the ones listed below (this list is not exhaustive).

He/she works under direct supervision of the international co-director for all Regie-related expenses; and of both co-directors for al Co-management-related expenses. He is directly assisted by the accountant and by the secretary.

Main duties and responsibilities

Responsible for financial administration and procedures

- Control all financial administration issues: solves problems, helps improve financial administration by developing tools, points out and corrects errors and

problems, reports any major problem to the co-directors and seeks advice from the LAF when necessary.

- Ensure a correct, smooth and efficient organization of the financial administration;
- Organize regular meetings with financial and administrative staff, and ensure good communication, information and cooperation within the financial administration team.
- Supervise compliance with legal and administrative procedures and guidelines; this implies he studies, checks and reinforces financial guidelines and procedures of the Belgian Technical Co-operation and Ministry of Finance (for Regie) in addition to the Tanzanian regulations (for co-management), including the Specific Agreement, the TFF, the BTC quality handbook and any guidelines provided from Brussels or Tanzanian legal texts.
- Ensure all instructions received from the representation or BTC headquarters are correctly applied and followed and that the requests are met within the deadline.
- Update guidelines and system of all types of payments in project, esp. allowances.
- Update Administrative and Financial Manual, and ensure communication of new procedures to all admin/fin staff involved.

Financial activity reporting

- Final responsibility for timely production of FIT statements; provide guidance and supervision to the accountant who produces the FIT statements.
- Produce financial reports whenever requested following format laid out (e.g. for steering committees), or develops customized formats for ad hoc reports (in excel).
- Make electronic back-up of final versions of financial reports

Budgeting and financial planning

- Follow up and update of budget; Compare budget and planning with actual expenses; Provide monthly overview of budget balance to co-management and technical teams
- Financial short-and long term planning: overall, yearly and quarterly (in co-operation with co-management and technical teams); monthly and weekly, in co-operation with accountant.
- Overall management of bank and cash accounts, making cash calls on basis of the financial planning.

Auditing, monitoring, consulting, training

- Audit and analyze project expenses monthly, report any inconsistencies or irregularities.
- Control supporting accounting documents on quality and completeness, and follow up on corrections by the accountant.
- Consult and monitor financial issues related to technical project components (e.g. accountability of beneficiaries and institutions)
- Prepare and provide training on financial management for stakeholders
- Preparing and assisting internal and/or external financial audit missions

Any other tasks reasonably requested

Profile:

- University degree in finance, business administration or business economics;
- Minimum 8 years experience in financial management and project administration;
- Management experience, and experience with an international organization or NGO, 3 years minimum;
- Very good hands-on knowledge of excel and word is a must. Other programs (Database, accounting programs) a strong advantage;
- Proficient in English with good translation skills;
- Mature, good communicator and teamplayer;
- Able to work under stressful conditions and not objecting to overtime and field missions.

7.3.3 International Sector Expert

Basic functions

- Together with the Project Coordinator (PC), the International Sector Adivsor (ISA) takes a leading role in activity implementation of the project "Enhancement of Procurement Capacity of Local Government Authorities".

Main duties and responsibilities

- Under the BTC Resident Representative, the ISA together with the PC is responsible for the correct and timely execution of the project's work plans.
- As co-leader of the Project Implementation Unit, the ISA together with the PC gives guidance to all staff involved in the execution of project activities in accordance with the Specific Agreement, TFF, and approved work plans and cost estimates using participatory, adaptive management procedures.
- Together with the PC ensure that annual and semi-annual reports are prepared according to quality standards and submitted in time to the JLPC, PPRA and BTC.
- The ISA will serve as the overall technical advisor to the project. He/she will assist the PPRA on specific technical and policy issues during project implementation.
- Together with the PC identify the need for specialist studies, draw up consultancy terms of reference and supervise fieldwork and report preparation.
- Attend the Steering committee meetings on a regular basis and provide Secretariat services to the committee.
- Determine the material requirements of the project and issues procurement instructions.
- Establish and maintain good working relationships with project participants, counterpart agencies, donors and other relevant organisations and government agencies.
- Share information about the project with other organisations and agencies as needed. Liaises and co-ordinates project activities with other relevant technical assistance projects.

- Take the lead in developing and implementing a project monitoring and evaluation plan.
- Report quarterly to BTC representative.
- Supervise the preparation of financial and procurement planning and budgeted work plans
- The International Sector Expert will be based within PPRA office where the project implementation unit will be hosted.

Profile

- The profile of the preferred candidate includes:
- Relevant and international recognised degree at masters level or equivalent (in public administration or other relevant field),
- Minimum of ten years relevant work experience with capacity building and local government reforms internationally – preferably with experience from region
- Minimum 10 years experience with project management in developing countries
- Sound understanding of key aspects of capacity building, public procurement and decentralisation reforms,
- Knowledge of BTC and Government of Tanzania project procedures would be a distinct advantage.
- Proven, effective facilitator skills and the ability to develop effective interpersonal relationships; teamwork, negotiate and manage conflict.
- Excellent communication and report writing skills.
- Excellent planning, management and organisational skills
- A high level of computer literacy, including Word, Excel, Internet, E-mail, Power Point
- Excellent English.

7.3.1 National Project Coordinator

Basic functions

The Project Coordinator (Manager) is in charge of technical coordination of the project. He/she is the representative of the Tanzanian partner (PPRA) and is part of the PIU responsible for ensuring the expected results and day-to-day management of the project. On behalf of MoF and PPRA, he/she is the responsible person for the overall coordination of project activities, for the duration of the project.

He/she will be one of the members of the PIU and will work in coordination with the International Sector Expert (Co-Manager) to supervise the PIU team. He/she will validate the Project Implementation Manuel (PIM) together with the Co-manager.

The Director of Capacity Building and Advisory Services within PPRA will be the Project Manager.

Main duties and responsibilities

Reporting to the PIU and BTC, the Project Coordinator's specific tasks include:

1. Supervise and coordinate the implementation of the project to ensure that the activities are executed in accordance with the approved annual work plans and budgets.
2. Ensure coordination among all parties to the project and guarantee the link between operational work at LGA level and feedback to policy-making and decision-making authorities at central level.
3. Draft and contribute to tenders and contracts according to guidance from the JLPC and BTC
4. Supervise the monitoring and evaluation of the project implementation; analyse and consolidate monitoring reports and prepare recommendations to the JLPC
5. Organise bi-annual JLPC meetings
6. Be responsible for regular communication with BTC on the management and supervision of project implementation
7. Ensure the capturing and integration of lessons learned and experiences drawn in the implementation of project activities
8. Contribute to the preparation of ToR and recruiting national personnel or short-term experts
9. Supervise the technical, administrative, budgetary, financial and accounting management of the project together with the International Sector Expert
10. Represent the Government of Tanzania in relation to project planning, implementation and reporting to BTC.
11. Ensure the JLPC is well informed of project progress, and adequately supplied with sufficient information to carry out their decision-making responsibilities. Provide adequate and up-to-date information about the project's progress to the members of the Joint Local Partner Committee (JLPC).
12. Coordinate the intervention with other GoT and donor projects in the sector in Tanzania.
13. Ensure that annual and semi-annual consolidated work plans and reports are produced and submitted in time to the JLPC, GoT and BTC-Brussels (through the BTC-Dar Es Salaam Resident Representative).
14. Serve as secretary to the JLPC meetings.

Other duties

Liaise with other relevant national institutions;

Monitor expenditures (incl. book keeping) and use of GoT contribution and assets;

Ensure availability and supervision of GoT staff;

Any other function related to the project that may arise.

7.3.2 PMO-RALG Liaison Officer

Basic functions

PMO-RALG will assign one full-time staff member (full-time – the project will match up to 50% of the costs) to serve as Liaison Officer to the PIU for the full duration of the project. The Liaison Officer will act as a focal point for PMO-RALG to the project. He/she will be one of the members of the PIU and will work in coordination with the International Sector Expert (Co-Manager), the National Coordinator (Manager) and the other PIU team members. He/she is responsible for coordinating with the PIU and PPRA, and supporting all activities in which PMO-RALG is involved, as listed in Chapter 3.

PMO-RALG will propose candidates for the position, which will be validated by the JLPC.

This person will be an expert on capacity building and monitoring with good internal relationships within PMO-RALG and with Hombolo LGTI.

Main duties and responsibilities

The Liaison Officer will play a key role in the project activities involving PMO-RALG. As described in Chapter 3, they include the following:

- Overall coordination of LGA training and capacity building;
- Monitoring aspects of LGA procurement operations, through the Inspectorate department of PMO-RALG;
- Monitoring and backstopping LGAs through Regional Secretariats, including follow-up on PPRA procurement audits, as well as follow-up on findings by CAG on procurement issues,
- Providing adequate responses/disciplinary actions for LGA staff found to be involved in procurement misconduct, in response to weaknesses identified in PPRA compliance reports and CAG audits;
- In collaboration with MoFEA (and PO-PSM), assisting LGAs to be well staffed with qualified Procurement Management Unit personnel to the required number of staff per LGA.

Other duties

PMO-RALG also plays a role under the project in working with PPRA and Hombolo on the development and refinement of manuals and guidelines, the dissemination of updated procurement manuals and guidelines to LGAs and Regional Secretariats, updating the list of QTPs, selecting QTPs and ensuring they understand and apply the training materials, reviewing experiences and lessons learned and adapting the dissemination strategy on this basis, the development of courses for procurement at higher skills levels, developing training materials targeted to the Lower LGA level, strengthening RS to provide oversight and support to LGAs, developing TORs for the action research under component 4 (see Chapter 3), and following up on the Action Research.