



THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE



PUBLIC PROCUREMENT REGULATORY AUTHORITY

ANNUAL REPORT

FOR THE YEAR ENDED 30TH JUNE, 2024





The United Republic of Tanzania

ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2024



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ABBREVIATIONS AND ACRONYMS

| | |
|----------|---|
| APP | Annual Procurement Plan |
| CAP | Chapter |
| CSOs | Civil Society Organizations |
| EAPF | East African Procurement Forum |
| EO | Economic Operators |
| FY | Financial Year |
| HCMIS | Human Capital Management Information System |
| HIVAIDS | Human Immune - deficiency Virus/Acquired Immune Deficiency Syndrome |
| HQ | Headquarter |
| LGAs | Local Government Authorities |
| MAPS | Methodology for Assessing Procurement System |
| MDAs | Ministry Department and Agency |
| MOF | Ministry of Finance |
| MoU | Memorandum of Understanding |
| MSD | Medical Stores Department |
| MTEF | Medium-Term Expenditure Framework |
| MVP | Micro Value Procurement |
| NCD | Non-Communicate Disease |
| NEEC | National Economic Empowerment Council |
| NeST | National e-Procurement System |
| PEs | Procuring Entities |
| PFMRP | Public Finance Management Reform Programme |
| PMU | Procurement Management Unit |
| PPA | Public Procurement Act, Cap. 410 |
| PPR | Public Procurement Regulations of 2024, GN. No. 518 of 2024 |
| PPRA | Public Procurement Regulatory Authority |
| RAS | Regional Administrative Secretary |
| SP | Strategic Plan |
| SRWSSP | Sustainable Rural Water Supply and Sanitation Program |
| STDs | Standard Tendering Documents |
| TANePS | Tanzania National e-Procurement System |
| TANROADS | Tanzania National Roads Agency |
| TARURA | Tanzania Rural and Urban Roads Agency |
| TPDC | Tanzania Petroleum Development Corporation |
| TV | Television |
| UNDP | United National Development Programme |
| ZPPDA | Zanzibar Public Procurement and Disposal of Public Assets Authority |

DEFINITION OF KEY TERMS

| | |
|-----------------------------|---|
| Procurement | Means buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procuring entity and includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of tenderers, preparation, award and management of contracts |
| Public Procurement | Means procurement buying for the public and in Public Procuring Entities - Means a public body and any other body, or unit established and mandated by Government to carry out public functions |
| Economy operators | Are individuals, groups or organizations that have an interest, concern or involvement in particular project, organization or issues |
| Tenderers | Means any natural or legal person or group of such persons participating or intending to participate in procurement proceeding with a view to submitting a tender in order to conclude a contract and includes a supplier, contractor service provider or asset buyer |
| Tender document(s) | Means a written or electronic document or request for proposal inviting tenderers to participate in procuring or disposal by tender proceeding and includes document inviting potential tenderer for pre-qualification |
| e-Procurement | Means the use of information and communication technology by the Government in conducting procurement functions |
| Authority | Means the Public Procurement Regulatory Authority |
| Goods | Means raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid or gaseous form, electricity, intangible asset and intellectual property, as well as services incidental to the supply of the goods provided that the value of the services does not exceed the value of the goods themselves |
| Consultancy Services | Means activities of an intellectual and advisory nature that do not lead to a measurable physical output and includes design, supervision, training, advisory, auditing, software development and similar services |
| Webinar | Means online event where a presenter shares information, often accompanied by slides, videos, or live demonstrations. Participants can ask questions, interact, and soak up knowledge—all from the comfort of their screens- Means the maximum benefit from goods, works or services procured with the resources available worth the cost incurred. Public Procurement Regulatory Authority |
| Value for money | Means the maximum benefit from goods, works or services procured with the resources available worth the cost incurred |
| NeST | Means National electronic Procurement System |
| e- Mrejesho | Means handling feedback system which is managed by the President's office – Public Services Management and good governance. The system allows the stakeholders to claim their rights and also submit their recommendations or appreciations |
| Whistleblowers | Means anyone who possesses insider information of illegal, illicit, or fraudulent activities within an organization and chooses to report it. This can include employees, suppliers, contractors, or even clients who become aware of dubious business practices |

STATEMENT OF THE BOARD CHAIRPERSON



The Public Procurement Regulatory Authority (PPRA) is a regulatory body established under the Public Procurement Act, Cap 410 and charged with the responsibility to regulate and oversee public procurement and related matters. In FY 2023/24 the Government enacted a new procurement law, namely the Public Procurement Act of 2023, which came into effect in June 2024. PPRA is governed by the Board of Directors consisting of a Chairperson and six non-executive Directors and the Director General as Secretary to the Board as provided for under Section 22 (2) of Public Procurement Act, Cap. 410. Under the current Organizational Structure, the Management is formed by the Director General, Directors, Heads of Units and Managers.

The Annual Report for the Financial Year 2023/24 reflects the implementation of the Authority's plans and budget for the Financial Year (FY) 2023/24 which were guided by the National Budget Guidelines for 2023/24 and a circular issued by the Office of the Treasury Registrar in December 2022. The implementation also took into account key national planning frameworks, including Tanzania Development Vision 2025, Third Five-Year Development Plan 2021/22–2025/26 (FYDP III), CCM Election Manifesto (2020–2025) and National Budget Guidelines.

During the reporting period, the Authority executed its core functions based on the Third Strategic Plan (SP) 2021/22–2025/26, which aligns with the aforementioned National Planning Frameworks. The plan focuses on five strategic objectives: Non - Communicable Diseases, HIV and AIDS Infections Reduced and Supportive Services Improved; Implementation of National Anti-corruption Strategy and Action Plan Sustained, Performance in Public Procurement Improved; Capacity to Deliver Quality Services Strengthened; and Public Education and awareness.

Key strategic milestones achieved in public procurement during the period included the development of e-procurement system, enactment of the Public Procurement Act, Cap 410 which began implementation on 17th June 2024, and the enactment of the Procurement Regulations of 2023, which started implementation on 1 July 2024. With support from the Ministry of Finance, the Authority established and operationalized five Zonal Offices, namely: Central & West Zone, Southern Zone, Northern Zone, Lake Zone, and Southern Highland Zone.

I would like to extend my sincere appreciation to the Government through the Ministry of Finance, public procurement stakeholders, including Procuring Entities (PEs) and Development Partners (DPs), for their support and efforts in implementing the PPA, and advancing Public Procurement Reforms. I also wish to express my gratitude to the Board of Directors, PPRA management, and staff for their valuable contributions and efforts that made these reported achievements possible.

Dr. Leonada R. Mwangike
BOARD CHAIRPERSON

STATEMENT OF THE DIRECTOR GENERAL



In the Financial Year 2023/24, PPRA implemented its Strategic Plan 2021/22 – 2025/26) which guided by the Vision, *"To have an effective and sustainable public procurement and supplies management that facilitates national development,"* and the Mission, *"To enhance fairness, competitiveness, transparency, non-discrimination, accountability, and innovation in the regulation of public procurement and supplies management"*.

During the year ended 30 June 2024, the Authority successfully implemented the approved planned activities. Key activities implemented during the period under review are; assessment of corruption red flags for the Procuring Entities audited during the Financial Year 2023/2024 which resulted in sixteen (16) investigations in the PEs namely; TARURA-Tabora, TARURA-Morogoro, TARURA-Katavi, TANROADS-Kigoma, TANROADS-Mwanza, Mwananyamala Regional Referral Hospital, Dar es Salaam City Council, Ubungo Municipal Council, TARURA-Mara, Ngorongoro Conservation Area Authority, Tunduma Town Council, Tanzania Agricultural Research Institute (TARI), Medical Stores Department (MSD), National Identification Authority (NIDA), Tanzania Cotton Board (TCB) and Tabora Municipal Council. In addition, the Authority conducted two (2) special audits at the Tanzania Petroleum Development Corporation (TPDC) and Sustainable Rural Water Supply and Sanitation Program (SRWSSP) under the Ministry of Water.

To sustain its operations, the Authority developed the National e-Procurement System of Tanzania (NeST), which started operations in July 2023 for the e-Registration and e-Tendering modules. Following this, the Authority conducted group and tailor-made training sessions for 1,132 PEs, training 8,645 participants, and group training for 7,772 participants from PEs, 1,434 Economic Operators, and CSOs, as well as 190 SMEs (special groups) on the application of NeST. The Authority also provided tailormade training on CAP 410 to 643 participants from 420 PEs, a Dissemination program on the PPA and NeST to 393 Members of Parliament, 26 Regional Administrative Secretaries, and online training through WEBINAR on the application of NeST to 166 participants from 112 PEs.

During the year under review, the Authority operated with a total final approved budget of **TZS 46.60 billion**, out of which TZS 28.36 billion was for Recurrent Expenditure and TZS 18.24 billion for Development Expenditure. As of 30th June 2024, the Authority collected revenue amounting to **TZS 32.65 billion**, equivalent to 70.1% of the approved budget. On the other hand, the Authority spent **TZS 32.25 billion to execute the planned activities for FY 2023/24 out of the total amount of TZS 32.65 collected**. The amount spent is equivalent to 69% of its annual approved budget and 99% of the received funds. Additionally, the Authority received funds out of the approved budget amounting to **TZS 2.2 billion** for the construction of the HQ building and **TZS 2.609 billion** for the acquisition of office furniture, bringing the total collected revenue to **TZS 37.46 billion**.

In implementing the Authority's budget for FY 2023/24, the key priority interventions included: Monitoring procurement contracts across all Procuring Entities (PEs); Building the capacity of all PEs, economic operators, and Civil Society Organizations (CSOs) on the Public Procurement Act (PPA) and the application of National e-Procurement System of Tanzania (NeST); Developing, reviewing, and disseminating 10 new and 38 existing procurement implementation tools; Conducting studies on public procurement issues; Investigating all allegations, complaints, and reported cases of breaches of the PPA; Reviewing and implementing the e-Procurement system; and providing zonal services and addressing related affairs.

In addition, during the period the Authority completed the construction of the PPRA Head Office in Dodoma, which has been occupied since March 2024, and acquired office furniture for both the head office and zonal offices. The Authority also reviewed its Organizational Structure, which was approved by H.E. Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania, in March 2024 and operationalized in April 2024.

Lastly, I would like to extend my appreciation to the Ministry of Finance for their continued guidance, cooperation and support, without which PPRA could not have achieved its planned goals for FY 2023/24. My sincere gratitude also goes to the Board of Directors under the Leadership of the Board Chairperson, Dr. Leonada R. Mwangike, my predecessor Mr. Eliakim C. Maswi, PPRA Management, and all staff who worked tirelessly to ensure that PPRA functions were well performed.

Dennis K. Simba
DIRECTOR GENERAL

EXECUTIVE SUMMARY

This Annual Report (AR) for the FY 2023/2024 is the 1st report prepared in compliance with section 31(1)(a) of the Public Procurement Act, No. 10 of 2023. The purpose of this AR is to provide an overview of all support, regulatory, and supervisory activities performed by the Authority in FY 2023/24 in addition to the separate financial accounting report that is submitted to the Controller and Auditor General (CAG) as per Section 31 (1) (b) of PPA.

During the year under review, the Authority's Annual Budget increased from TZS 28.74 billion in FY 2022/2023 to TZS 46.60 billion in FY 2023/2024 which is equivalent to 62% increase. The collection of internally generated Funds (IGF) also increased by 32% equivalent to TZS 3.82 billion from TZS 11.93 billion in FY 2022/2023 to TZS 15.75 billion. The IGF collection improved due to official operationalization of NeST usage from 1st July, 2023 coupled with several NeST trainings conducted in Iringa and other regions in the country. The Authority had total available funds of TZS 32.65 billion which was equivalent to 70.1% of the annual approved budget. The Authority's total expenditure was TZS 32.25 billion which is 69% of its approved annual budget. This total expenditure consisted of recurrent expenditure amounting to TZS 27.35 billion and Development Expenditure amounting to TZS 4.95 billion.

During the period under review, the Authority executed its core functions based on the five strategic objectives which are in line with Tanzania Development Vision 2025, Third National Five – Year Development Plan (2021/22-2025/26), the CCM election Manifesto (2020-2025), Strategic Plan (2021/22 – 2025/26, Annual Action Plan and Budget. The major achievements were:

1. Enactment of the New Public Procurement Act and its Regulations;
2. Successful Implementation of the National e-Procurement System (NeST);
3. Significant direct procurement saving a total of **TZS 14.94 Billion** through Audits and Investigations;
4. Participation of Special Groups in public procurement whereby 426 special groups were registered in NeST, and 153 tenders were awarded worth **TZS 5.29 Billion**, promoting inclusivity in public procurement;
5. Establishment and Operationalization of Five Zonal Offices; and
6. Completion of the PPRA Head Office Building in Dodoma.

Specifically, the remarkable achievements under each Strategic Objective include:

- A. Non-Communicable Diseases, HIV/AIDS infections reduced and supportive services improved through Policy implementation and sensitization seminars;
- B. Implementation of National Anti-corruption Strategy and Action Plan sustained as the Authority continued to mainstream the National Anti-Corruption Strategy and Action Plan Phase III (NACSAP III) into its plans;

- C. Performance in Public Procurement Improved through a number of interventions carried out by the Authority which include;
- i. The enactment of Public Procurement Act, Cap. 410 and Public Procurement Regulations, GN. No. 518 of 2024;
 - ii. Conducted 16 investigation to PEs namely; TARURA-Tabora, TARURA-Morogoro, TARURA-Katavi, TARURA-Mara, TANROADS-Kigoma, TANROADS-Mwanza, Mwananyamala Regional Referral Hospital, Dar es Salaam City Council, Ubungo Municipal Council, Ngorongoro Conservation Area Authority, Tunduma Town Council, Tanzania Agricultural Research Institute (TARI), Medical Stores Department(MSD), National Identification Authority (NIDA), Tanzania Cotton Board (TCB) and Tabora Municipal Council also the Authority conducted two (2) special audits at Tanzania Petroleum Development Corporation (TPDC) and Sustainable Rural Water Supply and Sanitation Program (SRWSSP) under the Ministry of Water. Through interventions made by the Authority, the Government has been able to save a total of **TZS 14.94 billion** through conducting investigation and audits in the procurement and contract management. This achievement was a result of the Authority to strengthen monitoring and compliance mechanism, without these measures the government would lose more public funds on public procurement.
 - iii. The Authority conducted training and dissemination programs on PPA and PPR, as well as the application of NeST for various stakeholders as follows; NeST tailor-made training programs to 8,645 participants from 1,132 PEs, NeST group training to 7,772 participants from 888 PEs, NeST training programs to 1,434 Eos, tailor-made training on PPR to 643 participants from 420 PEs, dissemination program on PPR and NeST to 393 Members of Parliament, dissemination program to 190 special groups, dissemination program on PPR to 26 Regional Administrative Secretaries, and online training through WEBINAR on the application of NeST to 166 participants from 112;
 - iv. Configured and set into NeST six (6) STDs for World Bank-Funded projects and eight (8) STDs for IFAD-Funded projects, reviewed and improved two (2) guidelines namely, the guidelines for the participation of special groups in public procurement and the guidelines for community participation to accommodate amendments as per the new Public Procurement Act, 2023 and further translated them into Swahili language. Furthermore, reviewed 26 templates built in NeST under the category of goods, works and non-consultancy services;
 - v. The Authority hosted delegates from South Sudan, Zimbabwe, and Burundi to benchmark the implementation of the e-procurement system and CAP 410. Also, the Authority visited Bangladesh to identify and adopt best practices that have been successfully implemented in their e-PPS, thereby reducing the trial-and-error phase

- vi. The Authority and other Government Institutions participated in the 15th East African Procurement Forum (EAPF) held in Bujumbura- Burundi from 4 to 6 December 2023. Twenty-six (26) representatives participated in the forum from Tanzania Mainland and Zanzibar;
 - vii. Preparation of Annual Procurement Compliance Reports for 180 PEs audited during the FY 2022/2023;
 - viii. Conducting procurement audits to 239 PEs through TANEPS, contract audits to 89 PEs and performance audit to 2 PEs;
 - ix. Conducting enhancement and sanity testing for Module of e-Registration and e-Tendering; initial development of e-Contract Management module,
 - x. A total of 1,149 PE's were able to update their information and start using NeST, of which 904 PEs published their APP with a total of 88,783 tenders. The increased number of PEs was equivalent to 33% compared to the 864 PEs registered in TANEPS during FY 2022/23
 - xi. Developing audit tools to perform procurement audits through e-Procurement system
 - xii. Conducted research under the title Public Procurement for better value in Tanzania – Empirical Evidence of Challenges and Opportunities. The Authority also prepared two research proposals on the area of special groups and sustainable procurement.
- D. Capacity to Deliver Quality Services Strengthened** as the Authority initiated and implemented various number of interventions which include;
- i) Establishment and operationalization of new five (5) Zonal Offices whereby most of the core business of the Authority are implemented under zonal jurisdictions. Currently the Authority have total of six (6) Zonal offices namely; Coastal Zone (Dar es Salaam), Northern Zone (Arusha), Lake Zone (Mwanza), Central and Western Zone (Tabora), Southern Highlands Zone (Mbeya) and Southern Zone (Mtwara);
 - ii) Engaged staff and acquired furniture, Motor vehicle and other potential infrastructures to facilitate their operationalization;
 - iii) The Authority conducted two Workers' Council meetings and facilitated the participation of staff in International Women's Day and Workers Day;
 - iv) The Authority reduced shortage staff in which 57 staff were engaged through transfers, secondments, and new hires. The efforts led to an increase in the number of staff to 172 compared to 115 staff in the preceding year.

- E. Public Education and Awareness Strengthened as a result of an implemented public education and communication through TV and radio programmes, distribution of IEC materials, participation in exhibitions, outreach campaigns, press conferences, social media, and press releases.

Other notable achievements recorded from supportive and regulatory activities during the reporting year include:

- i. Approved 23,747 registration applications from suppliers, contractors and service providers through NeST; and
- ii. Collaboration with other institutions on certain defined areas through MoUs (UNDP, ZPPDA, NEEC, PCCB and UDSM).

Despite the notable successes, the Authority faced some challenges in the implementation of the planned activities during the reviewed period. Key challenges are summarized under the table below

| S/N | CHALLENGE | DESCRIPTION | WAY FORWARD |
|-----|---|---|---|
| 1. | Procuring Entities (PEs) not using NeST | As of 30 th June 2024, the data reveals a significant gap between planned tenders by procuring entities and those published or awarded through the system. Specifically, it was noted that 99,671 tenders were planned, but only 53,886 were advertised and 38,836 were awarded via NeST. Therefore, it is evident that there are still significant challenges with Public Procurement being conducted outside the system. | <ol style="list-style-type: none"> i) The Authority will undertake criminal actions under the Public Procurement Act No. 10 of 2023 which mandates Procuring Entities to use the system and anyone who violates this requirement will be committing a criminal offense and can be personally prosecuted. This measure is expected to significantly increase the use of the system in public procurement. ii) The Authority will continue to build capacity to PEs on the use of NeST. |
| 2. | Non-compliance with PPA, CAP 410, its regulations, and other guidelines in the implementation of procurement and contract | Audit reports reveal some weaknesses in procurement and contract management, whereby some PEs fail to adhere to PPA, CAP 410, its regulations and the value for money principles which result in the loss of public funds. | <ol style="list-style-type: none"> i) The Authority continues to provide training and workshops on the Law and its Regulations for PEs. ii) The Authority will conduct real-time monitoring, audits and investigations to ensure that PEs comply with PPA |

| S/N | CHALLENGE | DESCRIPTION | WAY FORWARD |
|-----|--|---|--|
| | management | | and its regulations and also recommend disciplinary actions for any public officer found to have violated the law or regulations during procurement proceedings. |
| 3. | Inadequate allocation of 30% by PEs on their annual procurement volume to special groups | Audits revealed that PEs do not allocate tenders to special groups of Women, Elders, Youths, and people with disabilities to participate in public procurement. | The Authority will enhance control mechanisms through e- Procurement and awareness campaigns to ensure PEs adhere to the requirement of allocating 30% of their annual procurement volume to special groups. |

CHAPTER ONE

INTRODUCTION

1.0 Background

PPRA is a regulatory body established under the Public Procurement Act, CAP 410, and charged with the responsibility to regulate and oversee public procurement and related matters. PPRA was established in May 2005 after the enactment of the Public Procurement Act, of 2004. It replaced the Central Tender Board (CTB), which was established under the Public Procurement Act, of 2001. There have been several amendments to the Act (including amendments made in 2011, 2013, 2014, 2016, and 2018), all aiming at strengthening the functions of PPRA for effective and efficient delivery of its regulatory functions.

During the FY 2023/24 the Government enacted the new Public Procurement Act No. 10 of 2023 and its Regulations (Public Procurement Regulations, GN.No.518 of 2024) which became effective from 17th June 2024 and 1st July 2024 respectively. The new Act repeals and replaces the Public Procurement Act, No. 7 of 2011 thus provides solution on some challenges experienced when implementing the repealed Act. It is worth noting that, for the first time the new Act was enacted in Kiswahili and its English version is expected to be ready before end of the first quarter of the FY 2024/25.

Generally, key features of the new Act include provisions with regards to: sustainable procurement; mandatory use of electronic system in implementing public procurement as well as making it an offence for a person failing to implement procurement through the system; supply chain procurement; special procurement for commercial entities, preparation and use price cap in public procurement; various preferential schemes to local people and firms as well as goods manufactured, mined, extracted or produced in Tanzania. Also, the Act continues to provide and enhances implementation of exclusive preference scheme to special groups (includes women, youth, elderly and person with disability) in engaging in public procurement opportunities.

1.1 Vision, Mission and Core Values

PPRA's culture consists of the shared Vision, Mission and Core values as provided hereunder.



1.2 Objectives of the Authority

According to Section 9 of CAP 410, Objectives of the Authority are as follows

- a) To ensure the achievement of value for money in procurement and supply;
- b) To ensure adherence to fairness, competition, transparency, sustainability, accountability, proper utilization of funds, efficiency, and integrity in procurement and supply;
- c) To set standards for public procurement and supply systems in the United Republic;
- d) To ensure that procuring entities give preference to local suppliers in tenders for goods, construction works, and services;
- e) To monitor the compliance of procuring entities with the law; and
- f) To build capacity in procurement and supply in the United Republic in collaboration with the Ministry responsible for procurement and supply matters and other professional institutions.

1.3 Responsibilities of the Authority

PPRA carries out responsibilities as provided under Section 10 of the PPA. Among the key responsibilities are to:

- a) Ensure the attainment of value for money in procurement and supplies;
- b) Advise Government, local government authorities and statutory bodies on procurement and supply principles and practices;
- c) Monitor and report on the performance of the public procurement and supply system in United Republic of Tanzania and advice on desirable changes;
- d) Regulate procurement of consultancies transaction advisors and private part in respect of public private partnership projects in accordance with the regulation made under the Public Private Partnership Act and guidelines issued by the Authority in collaboration with the Public Private Partnership Centre;
- e) Collaborate with the Office of Attorney General and professional bodies, prepare, update and issue authorized versions of the standardized tendering documents, procedural forms and any other documents authorized to procuring entities;
- f) Approve the use of tendering documents, procedural forms and any other attendant documents which are not under the authorized versions, issue guidelines under the Act;
- g) Organize and maintain a system for the publication of data on public procurement opportunities, awards and any other information of public interest as may be determined by the Authority;
- h) Conduct periodic inspections of the records and proceedings of the procuring entities to ensure full and correct application of this Act;
- i) Monitor the award and implementation of public contracts, build capacity to stakeholders engaged in public procurement and supply issues; and
- j) Undertake survey nationally and internationally on procurement and supply matters.

1.4 Purpose of the Report

According to Section 31(1) (a) of CAP 410; the Annual Report of PPRA Operations must be submitted to the Minister within three months after the end of the Financial Year (FY). The general purpose of this report is to present activities carried out by the Authority and Annual Management Plan. The specific purposes of this report are to:

- a) To present the Authority Plan outlines the PPRA's strategic objectives, planned activities, and resource allocation for the upcoming year;
- b) To ensure transparency and accountability in the PPRA's operations, allowing the Minister and other stakeholders to review and assess the Authority's performance and strategic direction;
- c) To serve as a tool for the Minister and relevant bodies to monitor and evaluate the effectiveness of the PPRA's efforts in regulating and overseeing public procurement practices; and

- d) To present a comprehensive review of past activities and plans, that aids in strategic planning and decision-making for improving public procurement systems and practices.

1.5 Structure of the Report

This annual report comprises five chapters, which cover Introduction, Governance and Organizational Structure, Performance Overview, Financial Performance and challenges faced and plans for the coming year as describe below;

- i. **Chapter One** -Introduction; detailing the institution's background, mission, vision and core values; the objectives and responsibilities of the Authority, purpose and structure of the Report.
- ii. **Chapter Two** - Governance and Organizational Structure; highlighting the roles and responsibilities of the Board of Directors and Management,
- iii. **Chapter Three** -Performance Overview; includes notable achievements from Supporting and Regulatory activities during the year under review.
- iv. **Chapter Four** - Financial Performance; provides comprehensive review of budget and financial performance, revenue and expenditure analysis, financial position, and financial audit results,
- v. **Chapter Five**- Challenges and future plans; detailed challenges and proposed mitigation.

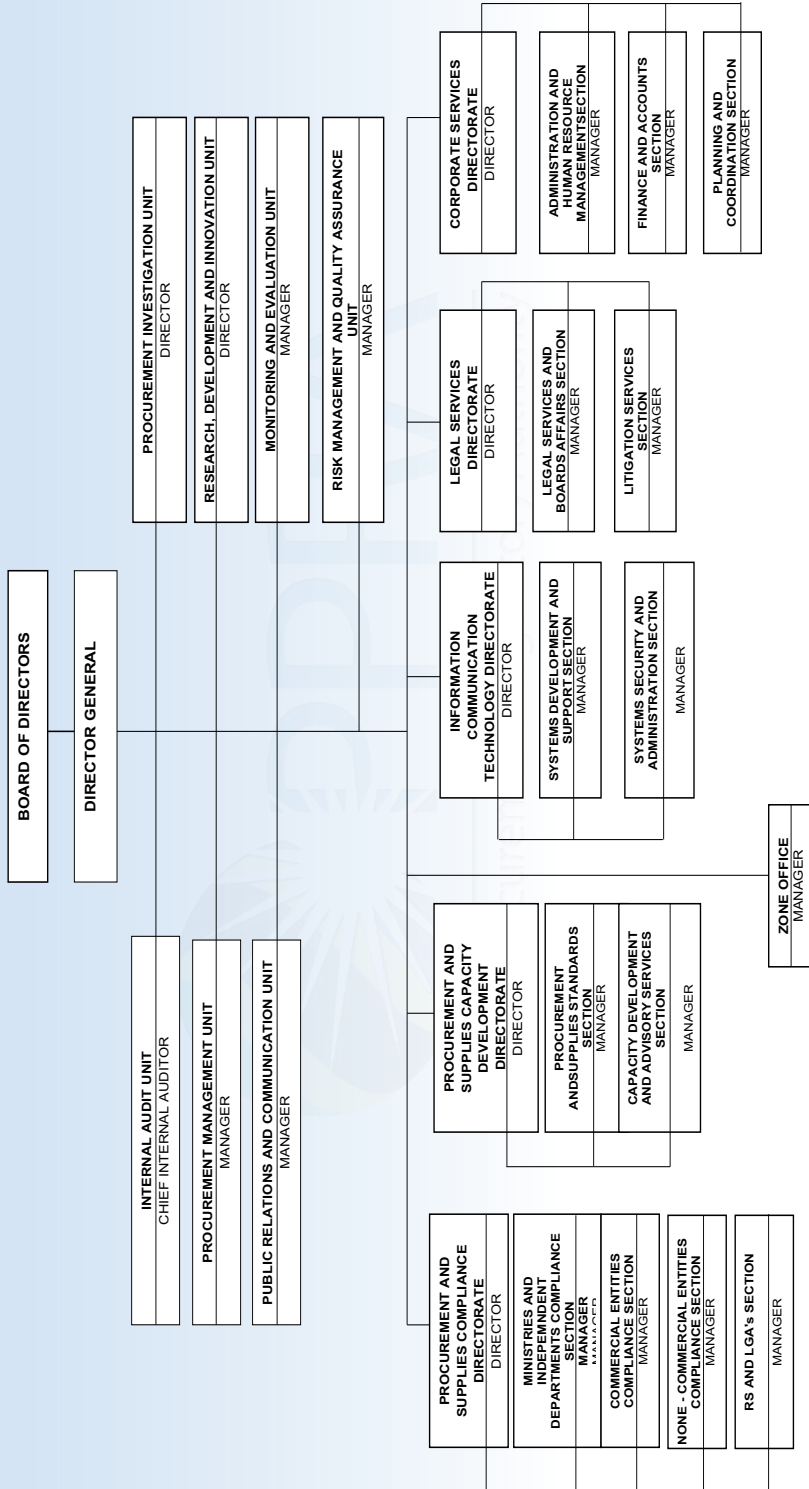
CHAPTER TWO

GOVERNANCE AND ORGANIZATIONAL STRUCTURE

2.0 Organizational Chart

PPRA is governed by the Board of Directors consisting of a Chairperson and six non-executive Directors and the Director General as Secretary to the Board as provided for under Section 22 (2) of Public Procurement Act, Cap. 410. The Board is the highest decision-making organ of the Authority, while the Director General manages the day-to-day activities of the Authority. Under the current Organizational Structure, the Management is formed by the Director General, Directors, Heads of Units and Managers.

THE APPROVED ORGANISATION STRUCTURE OF THE PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)
(Approved by the President on 27th March, 2024)



2.1 Organization Structure

2.1.1 Board of Directors



Dr. Leonada R. Mwangi
Chairperson



Prof. Ninatubu M. Lema
Member



Eng. Sylvester N. Mayunga
Member



Adv. Mary S. Lyimo
Member



Mr. Allan J. Kiula
Member



CPA. Dr. Neema K. Mssusa
Member



Adv. Maria M. Memba
Member



Mr. Dennis K. Simba
Secretary

2.1.2 Management Team



Mr. Dennis K. Simba
Director General



Eng. Awadhi J. Suluo
Director, Procurement and Supplies
Capacity Development



Adv. Paul T. Kadushi
Director, Legal Services



Eng. Amin N. Mcharo
Director, Procurement and
Supplies Compliance



Mr. Michael A. Moshiro
Director, Information and
Communication Technology



CPA. Salmin Y. Malole
Director, Corporate Services



CPA. Rose S. Millo
Chief Internal Auditor



CPA. Charles M. Birore
Ag. Director, Procurement
Investigation



Eng. Masunya E. Nashon
Ag. Director, Research Development
and Innovation



Mr. Robert M. Kitalala
Manager, Procurement Management



Ms. Remija K. Salvatory
Ag. Manager, Public Relations
and Communication



Mr. Sako M. Mwakalobo
Manager, Risk Management and
Quality Assurance



Mr. Alex S. Mange
Ag. Manager, Monitoring
and Evaluation:

2.2 Roles and Responsibilities of Board and Management

The functions of the Board of Directors and Management are stipulated in the PPA. For the Authority to exercise its mandate, the roles and responsibilities of the Board of Directors and Management are detailed in the following part.

2.2.1 Board role and responsibility

The major function of the Board of Directors appointed by section 22 (1) of the PPA is a governing body of the Authority with powers to regulate its proceedings. Also, it is responsible with governance, internal control and oversight.

2.2.2 Management Role and Responsibility

The Management is responsible for the day-to-day operations of the Authority and is led by the Director General (DG) who is the Secretary to the Board of Directors by Section 24 of the PPA and is responsible for: the Management and operations of the Authority; management of funds, assets and activities; management of officers and employees including training and disciplinary matters in accordance to public service legislation. Moreover, the Management undergoes continuous transformation through the Government's efforts to ensure that it pairs with emerging issues in procurement, technological changes, and best practices that uphold the principles of transparency, accountability, integrity, openness, fairness, innovativeness, and value for money in procurement and supplies chain.

2.3 Board of Directors meetings and activities

2.3.1 Board Meetings

During the financial year 2023/24, meeting for the Board of Directors were conducted according to the approved Board Meetings schedule. A total of 4 ordinary and 2 extraordinary Board Meetings were conducted.

2.3.2 Board Activities

a) Knowledge-exchange workshop

As part of the exchange of expertise, PPRA Board of Directors conducted a workshop in Zanzibar where it paid a special visit to ZPPDA and the Office of Chief Secretary of the Revolutionary Government of Zanzibar. The event took place from 24 - 27 July 2023. During this visit, the Board introduced NeST to the Authority's counterpart in Zanzibar (ZPPDA) and the Zanzibar Office of the Chief Secretary. During the workshop, it was further discussed how the two Authorities can cooperate and exchange experiences in their operations. Eventually, on 25th April 2024, the two Authorities signed a Memorandum of Understanding to govern their effective cooperation.



Chairperson of the Board of Directors of PPRA Dr. Leonada R. Mwangike (Fifth left), Chairperson of the Board of Directors of ZPPDA Dr. Sharifa O. Salim (third right) and the members of both Authorities's Boards of Directors in a group photo after the session held at the ZPPDA head offices in July, 2023 in Zanzibar.

b) Corporate Governance Workshop

The Authority engaged Eastern and Southern African Management Institute (ESAMI) to conduct tailored training for the Board of Directors and Management on Corporate Governance to build their capacity to ensure the effective execution of their responsibilities as per PPA and its Regulations as part of an ongoing commitment to effective governance and compliance. The same was held in Iringa for 5 days from 13 -17 May 2024. Also, they underwent training on Risk Management involving facilitators from the Ministry of Finance (MoF).

c) National Flagship projects' visit

The Board of Directors paid a visit to J.P. Magufuli Bridge Construction Project (Kigongo - Bussi) under TANROADS and "MV-Mwanza - Hapa Kazi Tu" project under Marine Service Company Limited (MSCL) in Mwanza from 15 -18 June 2024.



Chairperson of the PPRA Board of Directors Dr. Leonada R. Mwangike (eighth right), in a group photo with members of the Board and Management, TANROADS staff and experts participating in the J.P. Magufuli Bridge Construction Project (Kigongo - Busisi) that passes over the long Lake Victoria of 3.2 kilometers, in June 2024 at the project area in Mwanza region.

2.4 Board of Directors Committees and their functions

The Board's committees are established under section 23 of the PPA. According to clause 15 of the PPRA Board Charter of 2021, there are established three Board committees namely: Audit Committee; Technical Committee; and Advisory Committee

2.4.1 Audit Committee's functions

The Committee is established under Regulation 30 of the Public Finance Regulations, GN. No. 132 of 2001. Under clause 19 of the PPRA Board's Charter, the Committee is entitled to handle activities related to Financial Management and Reporting; Planning; Internal Control System; Internal Audit Service; Risk Management; External Audit Function and Compliance with Law and Regulations.

2.4.2 Advisory Committee

The Committee is established under clause 23 of the PPRA Board's Charter and empowered, under clause 26 of the charter, to undertake matters related to applications for retrospective approval and all staff Matters.

2.4.3 Technical Committee

The Committee is established under clause 30 of the PPRA Board's Charter and empowered, under clause 33 of the charter, to undertake matters related to Debarment Matters and Litigations; Audits and Investigation and e-Procurement System.

2.5 Management meetings and activities

2.5.1 Management Meetings

Management meetings were conducted according to the approved schedule and whenever necessitated whereby a total of 12 ordinary meetings, 6 extraordinary meetings 1 management working session meeting, and 1 extended management meeting were conducted.

2.5.2 Management Activities

The Authority held a management retreat to assess the implementation of the Authority's performance for the Financial Year 2023/2024 and deliberate on the implementation of the objectives for the financial year 2024/2025. The retreat was held from 1 to 5 July 2024 at Mwl. Julius Nyerere Leadership School in Kibaha - Coastal Region.



CHAPTER THREE

PERFORMANCE OVERVIEW

To achieve PPRA's mandate, five (5) Strategic Objectives of the Authority are shown in Table 3 – 1.

Table 3 - 1: Strategic objectives and key performance indicators (KPIs)

| STRATEGIC OBJECTIVE NO. | STRATEGIC OBJECTIVES | KEY PERFORMANCE INDICATORS (KPIs) |
|-------------------------|---|--|
| A | Non-communicable diseases, HIV/AIDS infections reduced and supportive services improved | i. Level of staff awareness on HIV/AIDS ii. Incidence rate of NCDs reduced |
| B | Implementation of National Anti-corruption Strategy and Action Plan sustained | i. Level of staff awareness of corruption increased ii. The number of corruption allegations against PPRA staff reduced |
| C | Performance in Public Procurement Improved | i. Increased level of Compliance with PPA & PPR ii. Number of MoUs signed between the Authority and other stakeholders iii. Efficiency in public procurement increased iv. Special Groups complying with PPA v. Improved knowledge on conducting research vi. Proportion of strategies benchmarked to Country procurement system vii. Customer satisfaction improved |
| D | Capacity to Deliver Quality Services Strengthened | i. Customer satisfaction improved ii. Service delivery improved iii. Staff/human welfare improved |
| E | Public Education and Awareness Strengthened | i. Authority outreach and visibility enhanced ii. Number of followers in PPRA social media accounts iii. Number of visitors in PPRA website |

During the year under review, the Authority has achieved the following supportive and regulatory activities;

A. Non-communicable diseases, HIV/AIDS infections reduced and supportive services improved

During the period under review, the Authority has improved Health Services by organizing an HIV/AIDS and NCDs awareness program where by 120 staff participated. Also, care and support were provided to employees recognized with HIV/AIDS and NCDs. In the endeavour to fight against NCDs, the Authority facilitated staff attended physical exercises by facilitating Gym services at their convenience time after working hours and on weekends.

B. Implementation of National Anti-Corruption Strategy and Action Plan sustained

The Authority has enhanced and sustained effective implementation of the National Anti-Corruption Strategy by conducting four (4) statutory meetings organized by the Ethics and Integrity Committee. The Committee intended to deliberate ethical matters and reports were prepared and submitted to the respective Authorities as per requirements. Additionally, the Authority conducted awareness on anti-corruption and good governance to its staff and training to appointed Complaints Handling Officers.

C. Performance in Public Procurement Improved

i) Enactment of the Public Procurement Act and its Regulations

The enactment of PPA was a result of stakeholders' opinions through MoF to improve the regulatory framework in public procurement. A total number of 62 sections in the repealed Law were found not conversant to the procurement

environment hence a need to re-write the Public Procurement Act and its Regulations. The PPA became effective from 17 June 2023 whereas the PPR from 1 July 2024. The enacted PPA addressed the following: value for money in the procurement of goods, services, and works; effective supervision of the supply chain; effective use of force account; sustainable procurement; threshold of local/national preference; Proper Contract management; compulsory use of e-procurement system (NeST); and reduction of time in the procurement processes;



Jumatano Novemba 22, 2023

Nipashe 15

HABARI DODOMA

CCWT kuanza uchaguzi, yaonya wala rushwa

Na Paul Mabeja, DODOMA

TUME Huru ya Uchaguzi ya Chama cha Wafugaji Tanzania (CCWT) imetangaza kuanza rasmu kwa mchakato wa uchaguzi ngazi ya kijiji hadi taifa huku ikionya wagombea kutojihusisha na vitendo vya rushwa.

Ilisema wakibaini mgombea yeyote kujihusisha na vitendo vya rushwa ataondolewa mara moja kwenye kinyang'anyiro hicho.

Akitoa taarifa hiyo kwa waandishi wa habari juzi, Mwenyekiti wa Tume hiyo, Charles Malagwa, alisema uchaguzi ngazi ya vijiji na...

Sheria mpya PPRA kuboresha ununuzi wa umma nchini

Na Mwandishi Wetu, DODOMA

OFISA Mtendaji Mkuu wa Mamlaka ya Udhibiti wa Ununuzi wa Umma (PPRA), Eliakim Maswi, amesema kutungwa kwa sheria mpya ya ununuzi wa umma itasaidia kuboresha sekta ya ununuzi wa umma nchini.

Akizungumza na Nipashe Maswi alisema, maboresho yaliyofanywa kwenye sheria hiyo inayotarajiwa kuanza kutumika hivi karibuni yanalinga kuleta uwazi, uwajibikaji na thamani ya fedha inapatikana katika mchakato ya ununuzi.

"Serikali ya awamu ya sita imekuwa sikivu, maisha ya Mwananzania katika ununuzi wa Umma sasa yanabadilika, kilio cha muda mrefu cha rushwa na ukiukwaji wa sheria katika ununuzi wa umma sasa kimepatiwa ufumbuzi," alisema.

Alitaja mafanikio yanatarajiwa katika sheria hiyo kuwa ni kujenga mazingira rafiki kwa wazabuni wazawa kwa kuwaweka upendeleo wa kushinda zabuni katika zabuni zenye ushindani wa kimataifa.

Alisema sheria hiyo pia imeweka vigezo vya jumla kwa makandarasi au washauri elekezi kupata upendeleo wa zabuni za kitaifa katika kampuni binafsi au ushirika wa kampuni za ndani.

Alitaja baadhi ya vigezo hivyo kuwa ni kampuni hizo zimeanzishwa au kusajiliwa ndani ya Tanzania na sehemu kubwa ya mtaji wa hisa zilizolipwa za kampuni binafsi iwe inamilikiwa na raia wa Tanzania.

Kigezo kineoneo kwa mujibu wa Maswi ni kampuni hizo zisiwe na utaratibu unaoelekeza sehemu kubwa ya faida halisi kutolewa au kulipwa kwa watu ambao si raia wa Tanzania au kwa kampuni ambazo zisingekuwa na sifa chini ya kifungu husika.

Kigezo kineoneo la matumizi ya wataalamu wa ndani katika mikataba ya kazi za ujenzi na huduma zisizo za kitaalamu, upendeleo kwa bidhaa za ndani, uingaji wa ushirika au mikataba midogo na kampuni za ndani pamoja na upendeleo wa utaji zabuni kwa makundi maalum ya kijamii.

Alisema maboresho ya sheria hiyo yanaenda sambamba na ujenzi wa mfumo mpya wa ununuzi wa umma kielektroniki (NeST) unaoendelea kuongeza ufanisi katika sekta ya ununuzi nchini tangu ulipoanza kutumika miezi michache iliyopita mwaka huu.

One newspaper cut reported the Authority's news on the enactment of CAP 410

ii) Retrospective Approvals

During the period under review, the Authority received 12 Applications for Retrospective approvals where 1 application was granted, 6 applications were rejected and 5 applications are still pending.

iii) Administrative Review

The Authority handled 14 administrative reviews and no disciplinary measures were recommended as the alleged breaches did not warrant it.

iv) Debarred Firms

During the year under review, a total of 7 firms were debarred for various reasons including engaging in collusive practices; failure to implement procurement contracts; commissioning of fraudulent acts; and forgery in public procurement. The firms were debarred at different times for different durations. In the debarment process, all firms were accorded right for appeal as per the Public Procurement Act, Cap 410 and its Regulations, however most of the appeals were decided in favour of the Authority. A list of blacklisted firms is accessible on the PPRA website, www.ppra.go.tz.

v) Advisory Services:**a) Legal Advisory Services**

The Authority provided 53 Legal Advisory Services on various matters related to Public Procurement, contracts, and other general issues addressed to PPRA by various PEs.

b) Technical Advice

The Authority offered 461 technical advices on public procurement-related issues to a total of 338 stakeholders, whereby 306 advices on technical issues were issued to 306 procuring entities and 155 advices to 32 economic operators.

vi) Implementation of PPA and PPR.

The Authority has facilitated the environment for implementation of the new Act and Regulations, whereby several capacity-building programs have been conducted and new features in the implementation tools have been developed to accommodate the requirements of PPA whereby the Authority conducted tailor-made training to 643 participants from 420 PEs and dissemination program to 26 Regional Administrative Secretaries and 393 Members of Parliament

vii) Compliance Monitoring and Enforcement

During the period under review, the Authority continued to carry out procurement and contract compliance activities including routine monitoring, regular audits, special audits, and investigations by Section 10 of PPA. Further, the Authority is mandated to ensure continuous monitoring of procurement and contract management activities implemented by Procuring Entities. Routine monitoring enables enforcement of compliance of PPA, its Regulations, and guidelines issued by the Authority from time to time.

a) Procurement Audit

During the period under review, the Authority carried out 342 procurement audits through TANePS. Selected PEs including MDAs, LGAs, Commercial Entities, and PAs. The criteria for selection of PEs are based on various parameters including volumes of procurement “Big Spenders” entities and Procuring Entities with poor performance scores which were audited the last financial year 2022/2023.

The audit reports revealed some of the weaknesses: Failure of the Accounting Officer to award tenders on time; Failure of PMU to stipulated power and Responsibilities within TANePS; Implementation of unplanned procurement without approval; Implementation of procurements beyond the budgetary limit; Publish awards beyond the bid validity period; Tenders were not processed within TANePS to final stage of award.

b) Contract and Performance Audit

During the period under review, the Authority conducted 180 contract audits into three categories of PEs; 44 PAs, 61 MDAs, and 75 RS&LGAs. Also, the Authority carried out a performance audit to two (2) PEs. Furthermore, procurement compliance reports for 180 PEs were prepared and submitted to the Minister on 29th September 2023. Both contract and performance audits revealed some weaknesses under PPA, PPR, and other guidelines as follows; failure by PMU to effectively discharge their functions including submission of periodic reports to the Authority; Unfair disqualification of the bidders in the evaluation process; Signing of contracts

without submission of required performance bond; overpayment for some of the construction projects; Abandonment of construction projects; Inappropriate use of Non-competitive methods; Non-existence of some structures included in BOQ and paid Payment to undelivered goods.

c) **Special Audit and Investigation**

The Authority conducted an assessment of corruption red flags for PEs audited during the Financial Year 2023/2024 which resulted in audited during the Financial Year 2023/2024 which resulted in sixteen (16) investigations. Through interventions, the Government has been able to save a total of **TZS 14.94 billion** through conducting investigations and audits in procurement and contract management. This achievement was a result of the Authority's strengthening monitoring and compliance mechanism, without these measures, the government would lose more public funds on public procurement.

The Authority conducted an assessment of corruption red flags for PEs audited during the Financial Year 2023/2024 which resulted in audited during the Financial Year 2023/2024 which resulted in sixteen (16) investigations in the PEs namely; TARURA-Tabora, TARURA-Morogoro, TARURA-Katavi, TARURA-Mara, TANROADS-Kigoma, TANROADS-Mwanza, Mwananyamala Regional Referral Hospital, Dar es Salaam City Council, Ubungo Municipal Council, Ngorongoro Conservation Area Authority, Tunduma Town Council, Tanzania Agricultural Research Institute (TARI), Medical Stores Department(MSD), National Identification Authority (NIDA), Tanzania Cotton Board (TCB) and Tabora Municipal Council. In addition, the Authority conducted two (2) special audits at Tanzania Petroleum Development Corporation (TPDC) and Sustainable Rural Water Supply and Sanitation Program (SRWSSP) under the Ministry of Water with value of **TZS.13.52 billion** which were implemented by RUWASA, thirty-eight (38) construction projects by SWASH (Education) with value of **TZS. 2.28 billion** and fifty-one (51) WASH (Health) with a value of **TZS. 1.67 billion** which Local Authorities implemented in five regions (Tabora, Shinyanga, Kagera, Songwe, and Ruvuma).

The audit report shows that the implemented projects under RUWASA and Local Authorities have some weaknesses as follows, implementing unplanned tenders without approval, non-preparation of engineering cost estimates for works, awarding contracts above estimated budget, Non-use of competitive methods for tenders, Procurement without invitation for tenders and non-vetted contracts.

d) **Monitoring of Procurement Activities**

Monitoring of procurement and contract implementation by PPRA is done through a review of various procurement information and periodic reports submitted by PEs including APPs, procurement implementation reports, internal audit reports, contract awards, and contract completion reports. Monitoring is mostly conducted on procurement activities instigated within NeST. Also, under section 50 (2) of CAP 410 the Head of Internal Audit of each PE is required in his quarterly audit report, to include a report on whether Act and regulations have been complied with and the Accounting Officer upon receiving such report required to submit a copy thereof to the Authority.

During the financial year 2023/24, a total of 489 quarterly audit reports were received from 293 PEs. The total number of PEs that submitted internal audit reports has increased from 124 to 250 during the review period, which signifies an improvement of 101.6 percent compared to the financial year 2022/2023. The increase has been attributed to GARI-ITS, which has enabled PEs to submit their quarterly audit reports.

viii) Capacity Building and Development for Stakeholders

The Authority conducted training and dissemination programs on PPA and PPR, as well as the application of NeST for various stakeholders, as described below:

- a) NeST Tailormade training programs to **8,645** participants from 1,132 PEs;
- b) NeST group training to **7,772** participants from 888 PEs;
- c) NeST training programs to 1,434 Eos;
- d) Tailormade Training on PPR to 643 participants from 420 PEs;
- e) Dissemination program on PPR and NeST to 393 Members of Parliament;
- f) Dissemination program to 190 special groups;
- g) Dissemination program on PPR to 26 Regional Administrative Secretaries; and
- h) Online training through WEBINAR on the application of NeST to 166 participants from 112.



The former Director General of the PPRA Mr. Eliakim C. Maswi (second left seated) with Police Officers led by Chief of Police IGP Camillus Wambura (second right, seated) after the NeST training given in December 2023, in Dar es Salaam City, being one among the tailor-made training offered to PEs.

ix) Procurement Guidelines and Implementation Tools

Configured and set into NeST six (6) STDs for World Bank-Funded projects and eight (8) STDs for IFAD-Funded projects; Reviewed and improved two (2) Guidelines namely; The Guidelines for the participation of special groups in Public Procurement and the Guidelines for community participation to accommodate amendments as per the new Public Procurement Act, 2023 and further translated them into Kiswahili language. Furthermore, reviewed 26 templates (documents) built in NeST under the category of Goods, Works and Non-Consultancy services.

x) Benchmarking

The Authority hosted delegates from South Sudan, Zimbabwe, and Burundi to benchmark the implementation of the e-procurement system and CAP 410. Also, the Authority visited Bangladesh to identify and adopt best practices that have been successfully implemented in their e-PPS, thereby reducing the trial-and-error phase. Additionally, learning from the

challenges and mistakes helps to avoid similar pitfalls, leading to a smoother implementation process. In that regard the Authority managed to align with international standards and practices, fostering greater transparency and accountability.



The former PPRA Director General Mr. Eliakim C. Maswi (stands), speaks during the meeting with delegates from Public Procurement Regulatory Authority of Zimbabwe (PRAZ), led by their Chairperson of the Board of Directors Mrs. Ntombenhle Moyo Cloude, in January 2023 at PPRA Headquarters at- Dodoma.

xi) International collaborations

The Authority and other Government Institutions participated in the 15th East African Procurement Forum (EAPF) held in Bujumbura- Burundi from 4 to 6 December 2023. Twenty-six (26) representatives participated in the forum from Tanzania Mainland and Zanzibar. During the event, Tanzania was announced to be the host of the 16th EAPF, scheduled to take place from 9th to 12th September 2024 in Arusha. PPRA participated in the African Public Procurement Network in Abidjan- Côte d'Ivoire from 13 to 15 November 2023. The Authority reviewed the Articles of Association and Rules of Procedures of the African Public Procurement Network and comments were forwarded to the Network.

xii) National Partnership and Collaborations

In performing its functions, the Authority collaborates with other institutions on certain defined areas through a memorandum of understanding (MoUs). During the year under review, the Authority entered into MoUs with various stakeholders namely UNDP, ZPPDA, NEEC to strengthen the public procurement system in Tanzania. The details of signed MoUs are presented in **Table 3 – 2**.



The former Director General Mr. Eliakim C. Maswi (Left) and Executive Secretary of the National Country Representative signing of MoU Mrs. Bengi Issa after signing of MoU at MoF Offices in December 2024.



The former PPRA Director General Mr. Eliakim C. Maswi and Mr. Shigeki Komatsubara UNDP Economic Empowerment of Citizens (NEEC) at PPRA Offices in April 2024

Table 3- 2 The details of signed MoUs

| S/N | Institution | Implementation status |
|-----|-------------|---|
| 1. | UNDP | The Signing of Sustainable Public Procurement (SPP) Portfolio document. Portfolio objectives are as outlined hereunder: - <ol style="list-style-type: none"> To support the implementation and monitoring of Sustainable Public Procurement policies, strategies, and guidelines for Tanzania; To facilitate the participation of local, youth, women, elderly, and People with disability in the production and supply of goods, services, and works for local and international markets; To promote digital and innovative solutions for increased efficiency and accountability for sustainable public procurement. |
| 2. | NEEC | The MoU focuses on enhancing local business participation in public procurement. It aims to promote economic empowerment by providing training, supporting compliance, and ensuring transparency and fairness in procurement processes. This collaboration seeks to align with national goals by empowering small and medium enterprises (SMEs) and fostering an inclusive procurement environment. The parties agreed in the following areas: Capacity Building issues; Enforcement and Compliance Issues; Research Programs; Evaluation and Coordination; Legal effect, entry into force and settlement of disputes |
| 3. | ZPPDA | On 25 th April 2024 an MoU for 3 years between PPRA and ZPPDA was signed intending to create reciprocated partnership and collaboration in order to strengthen their relationship through exchanging and sharing experience and expertise as well as sharing and participating in joint activities and events. |

xiii) Implementation of e-procurement systems

PPRA was mandated to establish and develop the National e-Procurement System through PPA. The first phase of NeST was completed in May 2023 which included the completion of e-registration and e-tendering modules. To ensure the official commencement of NeST, the Government through the Paymaster General issued circular No. 3 of 2023 designating NeST as the official procurement processing platform. The circular directed all PEs and EOs to use NeST from July 1, 2023, for the FY 2023/24. Over the review period of the system's implementation, it demonstrated

considerable success, with usage steadily increasing over time where, 48,183 users from PEs have been registered, including 35,472 who are registered as EOs administrators.

a) NeST Roadmap Implementation

After official operationalization of NeST, the Authority continued with development of e-Contact management module and other sub modules in line with the five-years NeST implementation roadmap as indicated in **figure 3 – 1**.

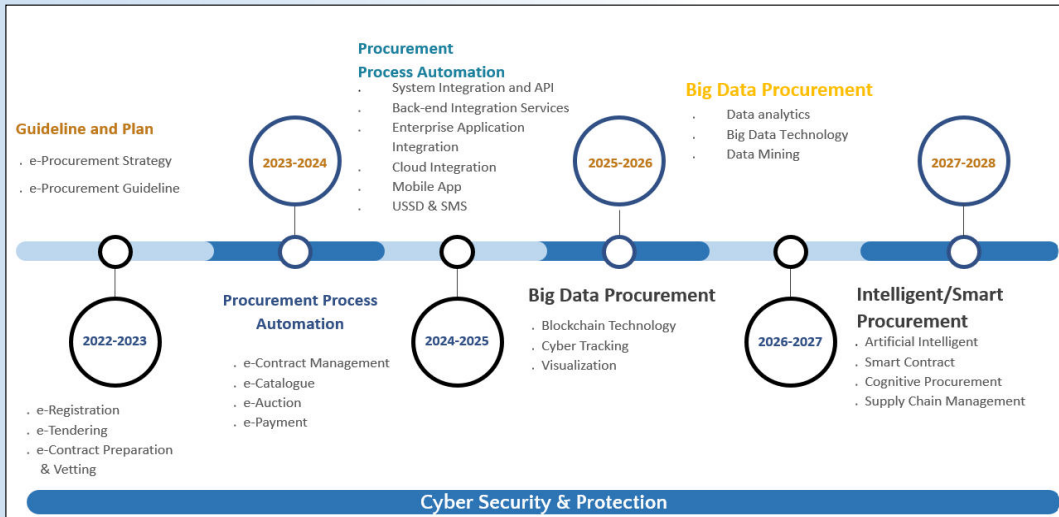


Figure 3-1: NeST Implementation Roadmap

b) NeST Implementation Benefits Archived

During the year under review, NeST demonstrated several benefits in procurement, including ensuring compliance with CAP 410 and its regulations during the development of the system. It also guaranteed that the government achieved value for money through the availability of approved tenderers and competitive public tenders. Additionally, the implementation of NeST enhanced transparency and accountability in public procurement processes, enabling clear tracking and reporting. By streamlining procurement processes and increasing oversight, NeST reduced opportunities for corruption and the misuse of public funds through trails and transparent of each activity within the system, thereby promoting ethical procurement practices. Moreover, NeST designed to be user-friendly and accessible to all stakeholders involved in public procurement, ensuring broad engagement and participation.

c) The e-Contract Preparation and Vetting

During the year under review, the Authority has completed the development of a contract management module for the first phase of e-Contract preparation and vetting in collaboration with the Office of the Attorney General as the custodian of Government contracts vetting. The completion of e-contract vetting in NeST allow the office of the Attorney General's internal processes performed in the system.

d) Procurement Audit sub - Module

During the period under review, the Authority completed the development of the procurement audit tool for PEs which is embedded in NeST to access procurement information available from entire procurement cycle during the compliance audit. The completion of this module enables the procurement compliance audits for the financial year 2023/2024 to be conducted in NeST, therefore expanding the scope of audits with accurate procurement information.

e) Public Procurement Appeals

During the year under review the Authority in collaboration with the Public Procurement Appeals Authority (PPAA), completed the development of the Complaints and Appeals Management module in NeST. The completion of this module will ensure complaints and appeals are handled through NeST and promote transparency and accountability in the procurement implementation process.

f) Mobile Application

The Authority completed the development of a mobile application to facilitate the easy use of NeST by EOs when registering and submitting their bids, as well as for PEs at the lower levels. During the year under review, a total of 8,027 users had downloaded the application via the Play Store, while 1,390 users had downloaded it from the Apple Store.

g) NeST Integration

During the period under review, NeST has been integrated with 18 various Government systems to facilitate the verification and authenticity of information submitted in NeST and to ensure NeST exchange information with other Government systems as indicated in the **figure 3 – 2**.



Figure 3 - 2: Integration of NeST with other systems

h) The e- Contract Management

To fulfil the implementation of the second phase of the NeST development phase, the Authority began to develop the module of e-Contract Management right after completion of the e-Contract preparation and vetting sub-module. The features of the e-Contract Management as specified in **figure 3 – 3**.

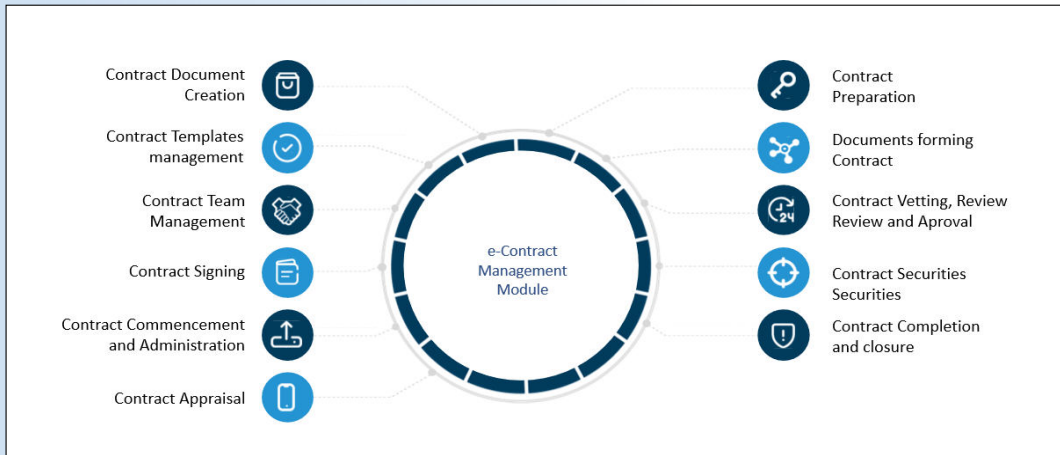


Figure 3 - 3: Features of the e-Contract Management

i) Framework agreement

To improve the procurement of goods and services through special contracts, the Authority completed the development of the Framework Agreement module to enable PEs to prepare special contracts per Regulation 127 of the PPR.

j) The e-Procurement System Usage

The Authority strived to maintain the availability and accessibility of NeST, given the increased number of registered EOs and PEs, processed tenders, bid submissions and issued awards due to the automation of the entire procurement process. During the period under review, the Authority analysed below details, as indicated in **table 3 – 3**.

Table 3 - 3: details of e-Procurement system usage

| Description | Value |
|---------------------------------|-------------------|
| Total of PE registered | 1,151 |
| Total of PE published their APP | 903 |
| Total Value of APP published | TZS 31.9 trillion |
| Total of tenders published | 53,231 |
| Total of Opened bids | 22,661 |
| Total of approved EOs | 21,991 |
| Total of Bids submission | 231,258 |
| Total of tenders awarded | 36,261 |
| Value of awarded tenders | TZS 5.99 trillion |

Source: NeST 2023/2024 procurement data

a) Economic Operators

During the period under review, a total of 23,747 applications for EOs registration were submitted through NeST. These applications were reviewed, and 21,991 tenderers were approved, including 21,094 domestic EOs and 897 International tenderers, and a total of 231,258 bids were submitted. Also, 92,510 business lines were approved.

b) Procuring Entities using the system.

During the period under review, A total of 1,149 PE's were able to update their information and start using NeST, of which 904 PEs published their APP with a total of 88,783 tenders. The increased number of PEs was equivalent to 33% compared to the 864 PEs registered in TANEPS during FY 2022/23. Furthermore, NeST in integration with the Human capital management information system (HCMIS), has registered 4,647 institutions in various categories, as shown in **table 3 – 4**.

Table 3 - 4: List of PE registered in NeST as per HCMIS.

| S/N | Category | Number |
|-----|--------------------------------------|--------------|
| 1. | Ministries | 35 |
| 2. | Parastatals | 156 |
| 3. | Academic Institutions | 108 |
| 4. | Agencies (With Delegates) | 193 |
| 5. | Authorities (With Delegates) | 170 |
| 6. | Government Companies | 28 |
| 7. | Health Entities | 43 |
| 8. | Independent Department | 82 |
| 9. | Local Government Authority | 184 |
| 10. | Organization Departments | 02 |
| 11. | Organization Workstations | 01 |
| 12. | Public Institutions | 121 |
| 13. | Regional Administrative Secretariate | 26 |
| | Total PE | 1,149 |

Source: NeST 2023/2024 procurement data

i) Annual Procurement Plans

During the period under review, a total of 904 PEs published their APP in NeST with a total value of TZS 31.9 trillion compared to 732 APPs with a total value of TZS 23.84 trillion published in TANEPS FY 2022/2023 this is equivalent to 23% increase in APPs published as shown in **Table 3 – 5**.

Table 3 - 5: List of APPs published in NeST.

| Description | Financial Year | | |
|------------------------------|----------------|----------------|------------------|
| | 2023/2024 | 2022/2023 | % of Performance |
| Number of APP Published | 904 | 732 | 23% |
| Value of APP (TZS) | 31.9 trillion | 23.84 trillion | 34% |
| Number of the PEs registered | 1,149 | 864 | 33% |

Source: NeST 2023/2024 procurement data

a) Awarded Tenders by Method

Considering the procurement methods and their categories, during the review year, the PEs were able to issue 1,674 tender awards through public competitions, 18,419 tenders through restricted competition and 2,790 tenders through single source, as indicated in percentages in **figure 3 – 4**.

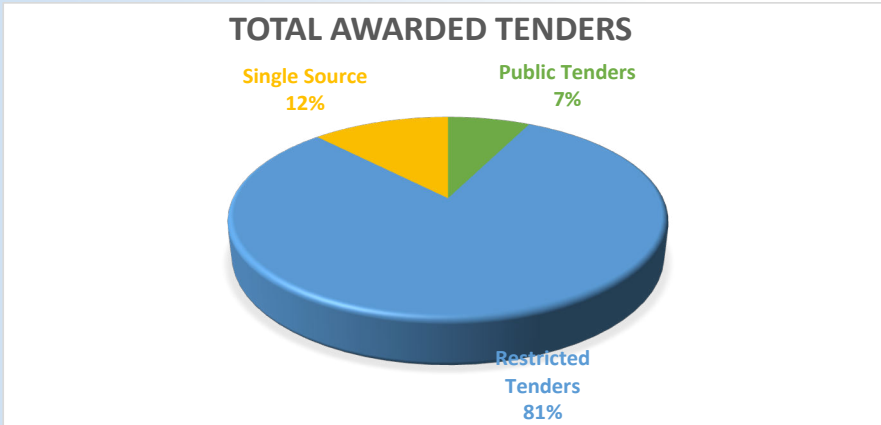


Figure 3 - 4: List of awarded tender by method.

Source: NeST 2023/2024 procurement data

b) Micro Value Procurement (MVP)

The Authority continued to oversee and monitor micro value procurement (MVP) through the automated processes in NeST. During the period under review, the Authority developed a sub-module for managing MVP. This enhancement improved the monitoring of MVP procurement compared to TANEPS, which was unable to provide information on this procurement. A total of 1,282 planned MVP with a value of **TZS 2.47 billion**, were initiated within NeST. While, 17,948 unplanned MVP with a value of **TZS 38.31 billion** were also initiated in NeST, as indicated in **table 3 – 6**.

Table 3 - 6: List of MVP with value.

| Description | Value | Amount (TZS) |
|----------------|---------------|----------------------|
| Planned MVP | 1,282 | 2.47billion |
| Un-Planned MVP | 17,948 | 38.31 billion |
| Total | 19,230 | 40.78 billion |

Source: NeST 2023/2024 procurement data

The analysis indicated that, planned MVPs 490 have been retired with value of **TZS 958 million**, while 792 MVP, with a value of **TZS 1.51 billion**, have not been retired in the system, as indicated in **table 3 – 7**.

Table 3 - 7: List of planned MVP and values

| Description | Planned MVP | Amount (TZS) |
|----------------|--------------|---------------------|
| Retired MVP | 490 | 958 million |
| Un-retired MVP | 792 | 1.51 billion |
| Total | 1,282 | 2.47 billion |

Source: NeST 2023/2024 procurement data

For the unplanned MVP 6,905, with a value of **TZS 13.60 billion** have been retired, while 11,043 MVP, with a value of **TZS 24.72 billion** have not been retired, as indicated in **Table 3 – 8**.

Table 3 - 8 List of unplanned MVP with values

| Description | Un-Planned MVP | Amount (TZS) |
|----------------|----------------|-----------------------|
| Retired MVP | 6,905 | 13.60 billion |
| Un-retired MVP | 11,043 | 24.72 billion |
| Total | 17,948 | 38.32 billion, |

Source: NeST 2023/2024 procurement data

a) Total Procurement cycle tracking

The Authority continues the use of ICT to enhance transparency and accountability in procurement landscape through NeST. Tender tracker as an innovative feature developed to ensure that every stage of the procurement process tracked. This feature proactively identified and alerted potential fraud occurrences during procurement.

b) Statistical Dashboards

During the FY 2023/24 the Authority improved procurement data visualization by developing the statistical dashboards in NeST to provide comprehensive insights into procurement activities, showcasing data and trends over time. These dashboards presented data visualizations that facilitated real-time monitoring of procurement processes, including awarded tenders, published APP, and tenderer performance metrics. Additionally, the dashboards offered customizable views to cater to different users, such as President, Prime Minister, Ministers, PE's Accounting Officers, and other stakeholders relevant to their roles. The statistical dashboards ensured that related information was readily available for analysis and strategic planning. Overall, they enhanced the transparency and effectiveness of procurement operations within NeST.

c) Paperwork reduction

Before NeST, PE had to prepare tender documents manually and upload them into the system. This process increased the use of paper-based activities and consequently strained system storage.

During the period under review, the Authority reduced manual processes and paper-based activities in the procurement landscape through business process automation. NeST tackled these challenges with innovative automation techniques, facilitating seamless handling of documents (such as tender documents, procurement forms, opening and evaluation reports, and bills of quantities) and ensuring easy retrieval during use.

ii) Engagement of Special Groups

The Authority successfully registered a total of 426 special groups in NeST, with 177 activating their accounts. Approximately 153 tenders, representing 0.4% of the total awarded tenders valued at 7 trillion, were issued to these groups.

iii) Research

As a part of adapting to changing the procurement landscape the need for a robust and transparent in procurement has become increasingly important. The procurement must ensure value for money, promote sustainable practices, and address the unique challenges faced by various stakeholders. During the period under review, the authority has conducted one research under the title “**Public Procurement for Better Value for Money in Tanzania**”, the research report was published in the International Journal and PPRA website.

The research aimed at exploring the current challenges and opportunities within the public procurement system in Tanzania. Research reports have been prepared and are available in both English and Kiswahili. The research indicated that they require immediate attention to achieve better value in public procurement, as shown in **Figure 3 – 5**.

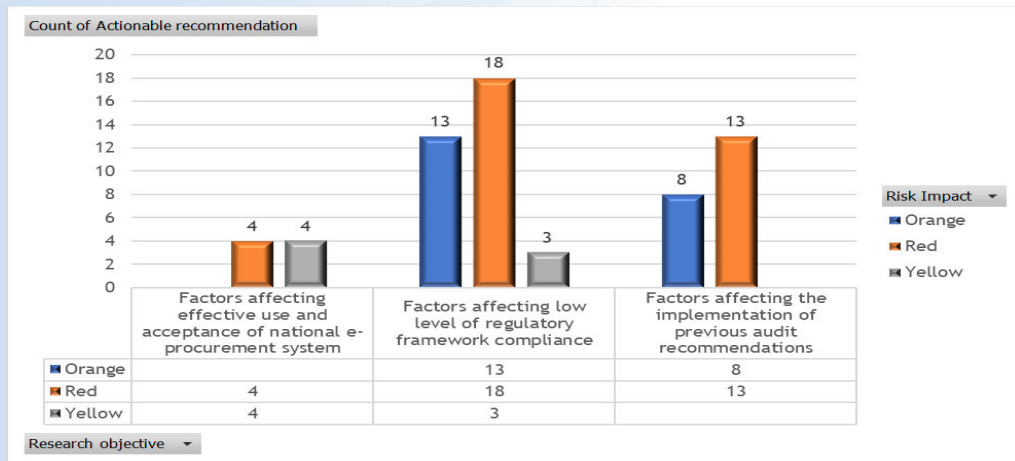


Figure 3 - 5: Distribution of actionable recommendation

a) Research Proposal

As part of ensuring the procurement key gaps were identified, the Authority conducted two research proposals on the area of special groups and sustainable procurement. The special group proposal aimed to investigate the involvement of special groups, including women, youth, elders, and persons with disabilities, in public procurement processes and the use of e-procurement system. During the period under review, the Authority has made significant strides in research and development, particularly in the area of procurement. Key achievements include the drafting and submission of four scientific papers to reputable procurement journals.

- i) One paper, has been successfully published, contributing to the growing body of knowledge in the field.
- ii) Three papers, are currently under review, and we anticipate positive outcomes, further solidifying our reach presence in the procurement

b) Research Agenda and Survey

In commitment to ensuring that, research aligns with both current and emerging needs in procurement, the authority organized a Procurement Research Agenda Validation Workshop on 19th December 2023. This workshop brought

together key stakeholders, including procurement professionals, academics, and industry experts, to review and validate the research agenda.



Former Director General Mr. Eliakim C. Maswi (Second left), addressing the issue during the Procurement Agenda Validation workshop in December 2023.

During the period under review, the Authority has achieved significant milestones in research and development, focusing on advancing procurement practices. The Authority conducted a significant survey titled ***"Zooming in and out: Investigation into Whistleblowing in Tanzania Public Procurement"***. The published survey report provides key insights into the challenges and opportunities for improving whistleblowing practices in Tanzania's public procurement sector, as shown in **Figure 3 – 6**.

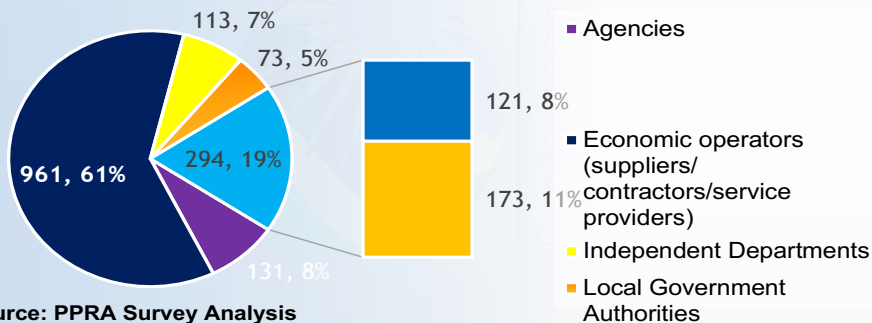
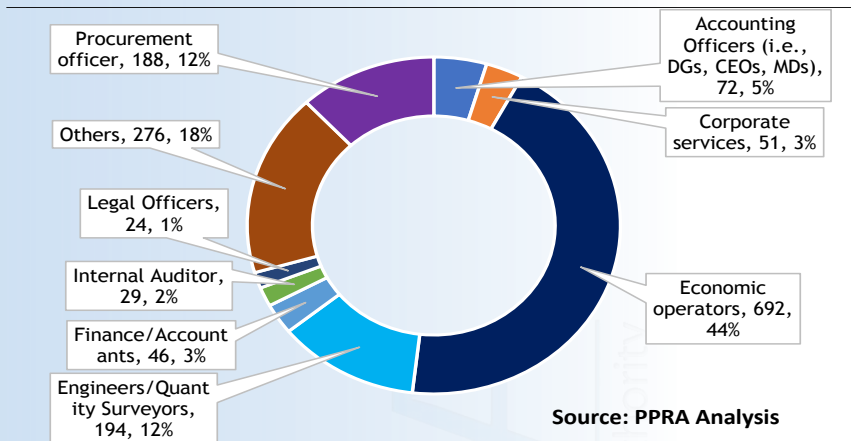


Figure 3 - 6 Distribution of PEs participated in this survey where 61% were Economic Operators and 19% from different ministries.

Furthermore, most of the respondents across PEs reported working either in economic operations (44%), engineering (12%), or procurement (12%), the remainder worked in areas such as corporate services (3%), legal (1%), internal audit (2%), directors (5%) and finance (3%).



During the period under review, the authority through survey conducted, it was revealed that 58% of respondents were aware of the existing of PPRA whistleblowing guidelines, while 42% of respondents were unaware of the existing of PPRA whistleblowing guidelines.

D. Capacity to Deliver Quality Services Strengthened

i) Human Resource Management

The Authority has skilled, ethical, committed, motivated, and competent employees dedicated to the provision of quality services that meet and exceed customers' expectations. Management adheres to the principles of good governance and promotes good working environment and labour relations. In addition, the Authority has continually invested on human resource development focusing on training, staff wellness, staff recognition, timely promotions, proper handling of medical issues, competitive remuneration, career growth and other staff related matters. During the period under review, the following were done;

a) Establishment

The Authority made efforts to reduce staff shortage in which 57 staff were engaged through transfers, secondments, and new hires. The efforts led to an increase in the number of staff to 172 compared to 115 staff in the preceding year.

b) Staff engagement

The Authority conducted two Workers' Council meetings and facilitated the participation of staff in International Women's Day and Workers Day. Similarly, it continued to support Tanzania Union of Government and Health Employees (TUGHE) activities at the work place. During the year under review, four quarterly staff meetings were held.



PPRA staff following the presentation during the workers/Staff Council meeting at PPRA Headquarters- Dodoma in April, 2024

ii) New Organization Structure

During the period under review, the new PPRA organization structure was approved by the President of the United Republic of Tanzania. The approved organization structure has been designed to align with issues and developments in public procurement in Tanzania as an endeavour to improve service delivery and to keep pace with the increased number of PEs to be regulated. This is envisaged to enable the Authority to effectively and efficiently carry out its regulatory functions and uphold the realization of value for money in public procurement and expenditure.

iii) Completion of PPRA HQ Office Building

During the period under review, the Authority completed the construction of the PPRA HQ office building which came into official use from March 2024. The construction cost for PPRA Office Building was TZS 5.61 billion.

iv) Internal Control

During the reported year, the Authority's Internal Controls were strengthened by performing the following activities; Revised Risk-Based Audit Plan to comply with the 2023 Global Internal Audit Standards and updated the Internal Audit Charter to reflect these changes Conducted quarterly Audits for Authority functions; Conducted a thorough review of the Authority's audit universe; Revised four Internal Audit tools; reinforced Authority commitment to maintaining robust internal controls and Internal Audit staff attended training on preparation of Risk Based Internal Audit Plan (RBIAP), the use of NeST, the use of GIA-MIS and NBAA seminars.

v) Corporate Planning and Coordination

During the period under review, the Authority coordinated several activities that aimed at realizing the desired outcomes from the PPRA Strategic Plan III. The activities covered various areas including the preparation of plans, budgets, and implementation progress reports for the Financial Year 2023/24; Preparation of the Medium-Term Expenditure Framework (MTEF) for the Financial Years 2024/25 – 2026/27; Preparation of Annual Performance

Evaluation Report for FY 2022/23; Responded to the issues raised by Parliamentary Committees of PAC, PIC, LAAC, and the Budget Committee; Facilitated training to Parliamentary members on e-Procurement System, PPA, and PPR; Prepared Strategic Plan III (Revised Edition) to ensure it aligns with and reflect the current operational realities and capacity of the organization; Coordinated programs funding proposal write-ups and supervise project's activities under PFM RP VI, UNDP, and the World Bank.

Furthermore, the Authority in collaboration with the World Bank Tanzania Office, coordinated the Assessment of Tanzania Public Procurement System, using the Methodology for Assessing Procurement System (MAPS). The MAPS report has assessed strengths, weaknesses, and gaps in the Tanzania public procurement system and benchmarked it with the international best practices, and provided recommendations which in turn will assist the Government of Tanzania to take full advantage of this opportunity to address today's public procurement challenges, such as e-procurement and sustainability.

vi) Establishment of Zone Offices

During the period under review the Authority initiated and implemented various strategies towards improving the service delivery to the public procurement stakeholders. These were included establishment and operationalization of new five (5) Zonal Offices whereby most of the core business of the Authority are implemented under zonal jurisdictions. Currently the Authority have total of six (6) Zonal offices namely; Coastal Zone (Dar es Salaam), Northern Zone (Arusha), Lake Zone (Mwanza), Central and Western Zone (Tabora), Southern Highlands Zone (Mbeya) and Southern Zone (Mtwara). Also, the Authority engaged staff and acquired furniture, Motor vehicle and other potential infrastructures to facilitate their operationalization.

E. Public Education and Awareness Strengthened

Communication and Outreach activities

To strengthen the communication network and good information flow between the Authority and its stakeholders, PPRA conducted various activities for education provision and awareness programs in the financial year of 2023/2024. The programs and activities tended to influence behaviour of PEs, EOs, CSOs and general public in relation to compliance with PPA. PPRA has been implementing public education and communication through TV and Radio programs, distribution of promotion materials, publications (Journals & Newspapers) participation in exhibitions, outreach campaigns, press conferences, social media, and press releases.

The following are sampled outreach activities performed by the Authority:

- i. 42 TPJ Versions published and disseminated;
- ii. 4 social media (Instagram, X, Facebook, and YouTube) accounts updated;
- iii. A task force meeting with CSOs and NGOs (Twaweza, Wajibu – Institute of Accountability and NUKTA) on the efficiency of NeST organized and conducted;
- iv. Participated in Seven (7) Live TV programs; and 13 special radio programs (Tenda Radio)
- v. Produced and aired 25 times on 5 radio stations. Also, news stories about the Authority were covered 175 times in newspapers, 53 times on Radio, and 60 times on TV;
- vi. A total of five (5) press conferences, were organized;
- vii. 25 video adverts and 28 audio adverts were prepared and aired on three (3) TV, three radio stations, and others on social media;
- viii. 28 video user guides for NeST, and 7 booklet-user guides for NeST were prepared and published; and

- ix. The Authority participated in 3 public events; Sabasaba, Ethics and Human Rights Day, and Youth's Week in Manyara.



The Former PPRA Director General, Mr. Eliakim C. Maswi (second right), and Former Training and Advisory Services Manager, Mr. Castor Komba spoke on the e-procurement system of Tanzania at a live radio program of Cloud FM in August 2023.

vii) Public Consultations and Feedback

In fulfilling the Authority Communication Strategy, the following approaches were used to earn public consultation and feedback;

- a) Monitoring social media platforms; -The Authority responds to all the comments from the viewers towards a particular content disseminated through social media platforms,
- b) Preparing a well-organized Point of Contact (PoC); - The Authority improves a support desk operation through a contact centre, live chat tool, emails, direct walk-in support, and established zonal offices which are responsible for customer services,
- c) Face-to-face conversation reflection; - The Authority's staff always give attention to all discussions with stakeholders and take into account that they are not mere conversations but meaningful for the sake of service improvement.
- d) Stakeholders' engagement both Public and Private.

Likewise, the PPRA Client Service Charter has identified different interventions that guide the stakeholders on how to claim their rights, office contacts, and accessibility of PPRA information. The following are PPRA interventions developed and implemented to improve service delivery and satisfaction;

a) Help desk

PPRA has developed and oversees a call centre system that handles large volumes of inbound and outbound telephone calls. The help desk team provides solutions on NeST issues to the stakeholders. Moreover, the Authority has registered a special call centre contact for the NeST stakeholders.

b) Whistleblowing Policy

PPRA has prepared a Whistleblowing Policy that enhances the environment for reporting suspected misconduct, illegal acts, and non-compliance in the public procurement process to bolster integrity, accountability, and transparency. Moreover, the Authority has registered a special call centre contact for Whistleblowing matters.

c) e-Mrejesho

PPRA has registered and adhered to the national complaints handling system (e-Mrejesho) which is managed centrally by the President's Office – Public Service Management and Good Governance. The system allows stakeholders to claim their rights, and submit recommendations or appreciations.

viii) Improved Customer Relationship Management

Over the review period, the Authority continued improving customer service delivery, the Authority enhanced the customer service operations by expanding the customer support team and further enhancement of the Live Chat tool embedded in NeST to provide preliminary assistance to customers before support from live agents. Moreover, Customer support is provided through a contact centre with four services; receiving customer calls (Call Centre), email support, direct walk-in support at the office (live support), and live chat support. During the period under review, a total of 62,088 calls were received. Meanwhile, 78,591 live chat interactions were handled by live agents. Further, the Authority has extended customer support points across the country through offices in six newly established zones.

CHAPTER FOUR

FINANCIAL PERFORMANCE

4.0 Budget Analysis

During the year under review, the Authority Annual Budget increased from TZS 28.74 billion in FY 2022/2023 to TZS 46.60 billion in FY 2023/2024. TZS 17.86 billion which is equivalent to 62% increase, the collection of Internal Generated Funds (IGF) FY 2023/2024 was 15.75 billion, as shown in **Figure 3 – 7**.

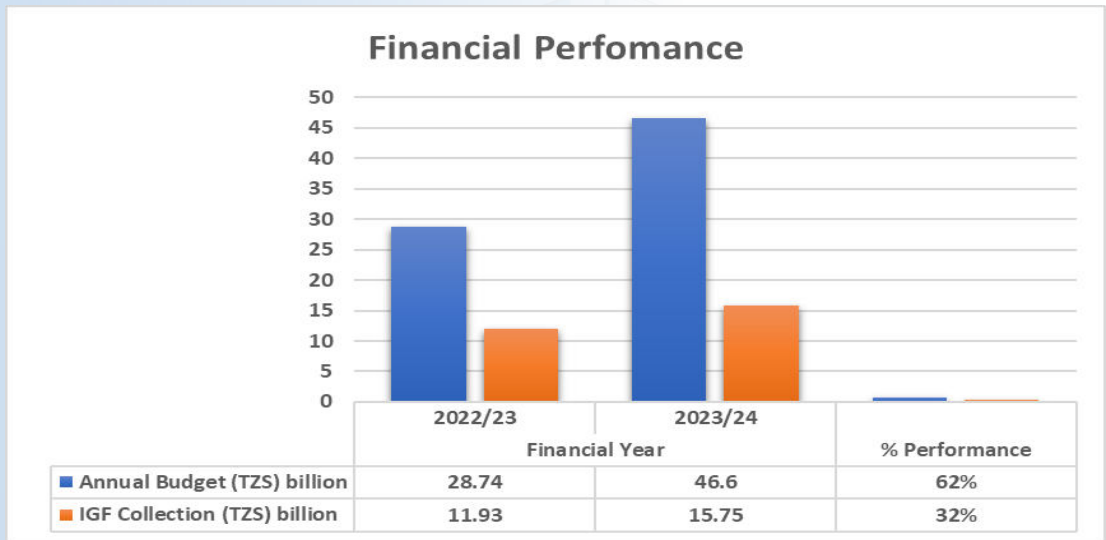


Figure 3 – 7 Budget analysis.

4.1 Budget and Financial Performance

During the period under review, the Authority had total available funds of TZS 32.65 billion which was equivalent to 70.1% of the Annual Final budget. The Authority's total expenditure was TZS 32.25 billion which is 69% of its approved annual budget. This total expenditure consisted of recurrent expenditure amounting to TZS 27.35 billion and Development Expenditure amounting to TZS 4.95 billion.

4.2 Revenue Sources and Expenditure Analysis

4.2.1 Revenue Analysis

During the period under review, the Authority's final approved budget was TZS 46.60 billion, where the Authority collected TZS 32.65 billion which is equivalent to 70.1% of the annual budget, funds collected include; Government subvention Personal Emoluments (PE) TZS 4.57 billion, Government subvention OC TZS 7.41 billion, Development Local TZS 4.92 billion, Development own source TZS 29.42 million and Own Source (IGF) TZS 15.72 billion. Further, the Authority received funds for the construction of the PPRA HQ building TZS 2.20 billion and acquisition of office furniture

TZS 2.61 billion and thus the total collected revenue during the period under review amounted to TZS 37.46 billion. The following table shows the Authority's Final Budget versus Actual Revenue collection for the year ended 30th June 2024.

Table 3 - 9: Approved Budget versus Actual Revenue Collection for the year ended 30 June, 2024

| Revenue Source | Approved Annual Budget | Reallocation Between | Final Budget | Actual Revenue received (July 2023-June 2024) | Expected Revenue | Variance from expected Revenue | |
|----------------------------|------------------------|----------------------|-------------------|---|-------------------|--------------------------------|----------|
| 1 | 2 | 3 | 4=(2+3) | 5 | 6 | 7 =(5-6) | 8= (7/6) |
| Government Subvention - PE | 4,233,005 | - | 4,233,005 | 4,573,224 | 4,233,005 | 340,219 | 8.0% |
| Govt. Subvention OC | 5,600,279 | 2,744,900 | 8,345,179 | 7,405,463 | 8,345,179 | (939,716) | (11.3%) |
| Development - Local | 2,000,000 | 3,200,000 | 5,200,000 | 4,922,500 | 5,200,000 | (277,500) | (5.3%) |
| Development - Foreign Fund | 11,702,749 | - | 11,702,749 | - | 11,702,749 | (11,702,749) | (100.0%) |
| Dev Own Source | 1,332,832 | - | 1,332,832 | 29,421 | 1,332,832 | (1,303,411) | (97.8%) |
| Own source (IGF) | 15,786,098 | - | 15,786,098 | 15,720,705 | 15,786,098 | (65,393) | (0.4%) |
| Sub Total | 40,654,963 | 5,944,903 | 46,599,863 | 32,651,314 | 46,599,863 | (13,948,549) | |
| PPRA HQ construction | | | | 2,200,294 | | | |
| Office Furniture | | | | 2,609,000 | | | |
| Sub Total | | | | 4,809,294 | | | |
| Grand Total | 40,654,963 | 5,944,903 | 46,599,863 | 37,460,608 | 46,599,863 | | |

4.2.2 Expenditure

During the period under review, the Authority spent TZS 32.25 billion which is equivalent to 69% of its annual approved budget which includes both recurrent and development expenditure. From the total actual recurrent expenditure of TZS 27.31 billion, TZS 22.78 billion were for Other Charges (Government Subvention and Own Source), while TZS 4.57 billion was for Personnel Emoluments (PE). Furthermore, the Authority had spent a total development expenditure of TZS 4.94 billion to implement planned development activities, TZS 4.91 billion from PFMRP local fund, and TZS 29.42 million from Own Source development.

| S/N | Description | Annual Approved Budget | Reallocation Between | Final Budget | Available Funds including opening balance | Total actual expenditure | Balance from Available Funds (6-7) |
|-----|--------------------------------------|------------------------|----------------------|-------------------|---|--------------------------|------------------------------------|
| 1 | 2 | 3 | 4 | 5(3+4) | 6 | 7 | |
| 1.1 | Other Charges | | | | | | |
| | GoT Subvention/Other Charges (OC) | 5,600,279 | 2,744,900 | 8,345,179 | 7,405,463 | 7,405,463 | |
| | Own sources (IGF) | 15,786,098 | - | 15,786,098 | 16,032,237 | 15,373,362 | 658,875 |
| 1.2 | Government Subvention (PE) | 4,233,005 | - | 4,233,005 | 4,573,223 | 4,573,224 | |
| | Total Recurrent Expenditure | 25,691,382 | 2,744,900 | 28,364,282 | 28,010,924 | 27,352,049 | |
| 2 | | | | | | | |
| 2.1 | PFMRP Local fund | 2,000,000 | 3,200,000 | 5,200,000 | 4,922,500 | 4,912,413 | 10,087 |
| 2.2 | Development - Foreign Funds | 11,702,749 | - | 11,702,749 | - | - | |
| 2.3 | Own Source Dev (IGF) | 1,332,832 | - | 1,332,832 | 29,421 | 29,421 | |
| | Total Development Expenditure | 15,035,581 | 3,200,000 | 18,235,581 | 4,951,921 | 4,941,834 | |
| | Grand Total | 40,654,963 | 5,944,900 | 46,599,863 | 32,962,845 | 32,294,571 | |
| 3.1 | PPRA HQ construction | | | | 2,200,294 | 2,200,294 | - |
| 3.2 | Office Furniture | | | | 2,609,000 | 1,597,211 | 1,011,789 |
| | Total Direct Fund | | | | 4,809,294 | 3,797,504 | |
| | Grand Total | 40,654,963 | 5,944,900 | 46,599,863 | 37,772,139 | 36,091,387 | 1,680,751 |

CHAPTER FIVE

CHALLENGES AND FUTURE PLANS

5.0 Challenges

During the year under review, the Authority faced some challenges in the implementation of the planned activities. From the challenges, the Authority experienced lessons that helped to plan for the future. Detailed Challenges and proposed mitigations are shown in **Table 3 – 10**.

5.1 Key Challenges

Table 3 - 10: Key challenges faced during the year

| S/N | CHALLENGE | DESCRIPTION | WAY FORWARD |
|-----|--|--|---|
| 1. | Procuring Entities (PEs) not using NeST | As of 30 th June 2024, the data reveals a significant gap between planned tenders by procuring entities and those published or awarded through the system. Specifically, it was noted that 99,671 tenders were planned, but only 53,886 were advertised and 38,836 were awarded via NeST. Therefore, it is evident that there are still significant challenges with Public Procurement being conducted outside the system. | <ul style="list-style-type: none"> i) The Authority will undertake criminal actions under the Public Procurement Act No. 10 of 2023 which mandates Procuring Entities to use the system and anyone who violates this requirement will be committing a criminal offense and can be personally prosecuted. This measure is expected to significantly increase the use of the system in public procurement. ii) The Authority will continue to build capacity to PEs on the use of NeST. |
| 2. | Non-compliance with PPA, CAP 410, its regulations, and other guidelines in the implementation of procurement and contract management | Audit reports reveal some weaknesses in procurement and contract management, whereby some PEs fail to adhere to PPA, CAP 410, its regulations and the value for money principles which result in the loss of public funds. | <ul style="list-style-type: none"> i) The Authority continues to provide training and workshops on the Law and its Regulations for PEs. ii) The Authority will conduct real-time monitoring, audits and investigations to ensure that PEs comply with PPA and its regulations and also recommend disciplinary actions for any public officer found to have |

| S/N | CHALLENGE | DESCRIPTION | WAY FORWARD |
|-----|--|--|--|
| | | | violated the law or regulations during procurement proceedings. |
| 3. | Inadequate allocation of 30% by PEs on their annual procurement volume to special groups | Audits revealed that PEs do not allocate tenders to special groups of Women, Elders, Youths, and people with disabilities to participate in public procurement. | The Authority will enhance control mechanisms through e- Procurement and awareness campaigns to ensure PEs adhere to the requirement of allocating 30% of their annual procurement volume to special groups. |
| 4. | Limited financial resources | Budgetary limit prevents the Authority from exercising its mandate effectively including increasing scope of audit to 80% of PEs and real-time monitoring of every PEs within the relevant financial year. | <p>i) The Authority will continue to review and implement its Resource Mobilization Strategy; and</p> <p>ii) The authority continues to liaise with the Ministry of Finance regarding the disbursement of funds for strategic initiatives.</p> |

5.2 Future Plans and Strategic Outlook

For the coming Financial Year 2024/25 to achieve its establishment, PPRA will implement the following initiatives and projects,

- i. Ongoing development of an e-procurement system with the ultimate goal of ensuring transparency, accountability, and good management of public funds;
- ii. Strengthen research and development in public procurement by undertaking applied research in the applicability of price adjustment formula in works projects; single source procurement method against traditional procurement method; sustainability and applicability of force account procedures in procurement; and price caps in Commonly Used Items;
- iii. Development, review, and dissemination of various procurement implementation tools (standard tender documents and procurement guidelines) for monitoring compliance following the enactment of PPA;
- iv. Enhance Stakeholder engagement and awareness; outreach and educational programs on the use of NeST, the PPR as well as other services offered by the Authority;
- v. Strengthen real-time monitoring on the application of fair, competitive, transparent, non-discriminatory, and value-for-money procurement standards and practices;
- vi. Broaden the scope of procurement Audit (compliance and value for money) to ensure Government funds are utilized in an appropriate manner such that value for money is attained;
- vii. Strengthen Investigation and Special audit of PEs to enhance compliance with PPA and Guidelines issued by the Authority;
- viii. Hosting and conducting the 16th East African Procurement Forum and official launching of NeST;

- ix. Strengthening of newly established units which are Procurement Investigation; Monitoring and Evaluation; Risk Management and Quality Assurance; Public Relations and Communication as well as Research, Development and Innovation; and
- x. Strengthening operations of six (6) zonal offices.

5.3 Areas for improvement and development

For the coming Financial Year 2024/2025 for PPRA to carry out functions as provided in PPA, Authority will continue with the efforts to improve and develop some areas, which include:

- i. Strengthening compliance monitoring on the application of fair, competitive, transparent, non-discriminatory and value-for-money procurement standards and practices;
- ii. Strengthening capacity building on public procurement;
- iii. Restructuring and sustainability of e-procurement system;
- iv. Strengthening outreach program on services offered by PPRA;
- v. Strengthening institutional capacity in service delivery;
- vi. Strengthening research and development in public procurement; and
- vii. Strengthening contract and procurement fraud Investigations.





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