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TANZANIA

COUNTRY PROCUREMENT ASSESSMENT REPORT (CPAR)

EXECUTIVE SUMMARY

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Operational Quality and Knowledge Services
Africa Region

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Introduction

1. The Tanzania Government has long realized the importance of public procurement to the economic development of Tanzania and hence to the fulfillment of key objectives within the national Poverty Reduction Strategy. To this effect, Tanzania was one of the first countries in Sub-Saharan Africa to enact a law modeled on the UNCITRAL model law. Since 1996, when the first CPAR was carried out, the Government has been working closely with the World Bank and other development partners to enhance the economy and efficiency of its procurement system and to make it more transparent and accountable.

2. The Government has long acknowledged that there is rampant corruption in Tanzania and has been fighting hard to reduce it. It is estimated that at the national level about 20 percent of the government expenditure on procurement is lost through corruption, mainly through kick-backs and bogus investments that have to be written off.[1] Considering that public procurement accounts for about 70 percent of the entire government expenditure budget[2], this translates to a loss of TShs 300 billion (USD 300 million) per year, enough to finance the combined annual recurrent budgets of the ministries of health and education. Clearly such a loss is economically unsustainable. Major losses occur in construction and supply contracts, which are the major avenues for corruption, particularly at the local government level.[3] The need for enhancing the transparency of the procurement system cannot therefore be overemphasized.

3. The main objective of this CPAR is to determine the compatibility of national procurement law and practices with the principles of economy and efficiency and with international procurement practices. The findings and recommendations of this work will not only help the Bank and other development partners to ensure that sound procurement practices are followed in the programs and projects that they finance but also in the programs and projects financed by the Government's own funds. The timing of this assessment is particularly critical because many development partners, including the World Bank, are shifting their support from projects to budget support -- the first Poverty Reduction Support Credit (PRSC) will be presented to the Bank's Board of Directors on May 27, 2003. This shift calls for increased focus on fiduciary compliance and on prudent management of scarce public resources, including exerting greater control over procurement expenditures and achieving better value for money in government contracting.

4. The Government of Tanzania is fully aware that its public procurement is still weak and needs to be strengthened substantially to enable it to ensure that the procurement laws and institutions become effective tools in the efficient and transparent management of public funds. The enforcement of these

[1] S.J. Chavda, Challenges and the way forward in combating corruption in the construction industry in Tanzania. Proceedings of Ministry of Works Workshop on Corruption Prevention in Construction Industry – April 2001.

[2] Tanzania's total annual expenditure budget is estimated at app. Tshs 2.0 trillion (equivalent to USD 2 billion). According to the NAO about Tshs 1,400 - 1,500 billion or just over 70% is expended annually by the Government through public procurement.

[3] Current research by PCB reveals unaccounted losses of up to 60 percent in some construction projects.

necessary measures should be a critical part of the proposed PRSC. The Action Plan will be part of the PRSC matrix.

Overall Findings and Recommendations

5. This CPAR, which is the Bank's second assessment of the procurement system in Tanzania, looks at all areas of public procurement operations in Tanzania, including the legislative framework, the performance of regulatory functions, the enforcement regime, the capacity of public sector institutions to conduct procurement, and the effects of corruption on procurement. It forms an integral part of the World Bank's activities in Tanzania as presented in the Country Assistance Strategy (CAS) of 2000 and serves a number of its key themes, particularly higher economic growth, poverty reduction and institutional reforms to improve governance. The CPAR's key findings, and recommendations are summarized in the following paragraphs

Legal Framework

Key Findings

6. The Government has taken some very positive steps since the first CPAR in 1996, including the enactment of the Public Procurement Act (PPA) and implementation of Regulations in July 2001. Overall, and compared to other countries in the region, the legal framework in Tanzania is adequate. It is pertinent to note that the "The National Anti-Corruption Strategy and Action Plans" considers the enactment of the PPA as one of the most important achievements with respect to combating corruption in procurement. However, the challenge remains to put it in practice and ensure implementation of the institutional and the legal framework established by the PPA. The CPAR exercise has identified a number of critical areas that need to be strengthened including: the roles and responsibilities of the Central Tender Board (CTB); local government procurement, and access to a complaints mechanism. In particular, the CTB is responsible for both operational and regulatory functions. These functions are often in conflict with each other and this CPAR recommends their separation.

7. The CPAR has also observed that since the introduction of the PPA, the prescribed Regulations for Local Government had not been issued. This has led to legal confusion and contributed to malpractices throughout the local government. It is essential, that the new Regulations are disseminated as soon as possible. These Regulations were gazetted on March 12, 2003. In addition, at present, aggrieved bidders have very limited access to a complaints mechanism. A credible complaints mechanism should be introduced by strengthening the capacity of CTB to take complaints while establishing the Public Procurement Appeals Authority, already entrenched in the legislation, to provide a functioning avenue of complaints for bidders. Other areas of weakness in the legal system include: Lack of protection for whistleblowers; lack of sanctions for misprocurement; and lack of mandatory time limits for various steps in the procurement process.

Key Recommendations

8. In the short run (within the next one year) the CPAR proposes the following actions to be taken to address the above weaknesses:

- Disseminate the new Local Government Authority Procurement Regulations
- Establish the Public Procurement Appeals Authority
- Make necessary amendments to the PPA including: decentralizing procurement operations; introducing mandatory time limits for various steps in the procurement process and providing protection for whistleblowers.

Current Procedures and Practices

Key Findings

9. A number of weaknesses were observed in the implementation of the current Regulations including: lack of procurement planning in government financed procurements; weaknesses in the advertisement of tenders; non compliance of contract award procedures and criteria; and weak complaints and administrative review process. One of the most critical issues in the current practice is the lack of procurement planning in government financed projects. Procurement planning is essential for public procurement to achieve one of its major goals of providing value for money. Despite the fact that the PPA requires preparation of procurement plans, the general practice observed by the CPAR team was that besides minimal budgeting exercises, no actual procurement planning is taking place for government funded projects. Owing to the lack of appropriate procurement planning a number of procurement actions are carried out on an ad hoc basis. Among these actions is the selection of procurement methods. It is still a widespread practice to base the choice of procurement method on whichever seems appropriate at that time, at the discretion of the accounting officer. This often leads to the excessive use of the restrictive competitive quotation or single source method, even for procurements with a value above the set thresholds. When using competitive quotations (shopping), procurement entities often pick the minimum of three firms, as required by the law, from an internally maintained list. The basis for picking these three could not be explained. The practice provides ample opportunity for abuse. The lack of procurement plans also makes the use of prequalification discretionary, even for complex procurements.

10. For those tenders which use the open competitive process, it was observed that there is no central media for advertisement of tenders or awards. As a result, the notices are scattered in local and East African papers which might explain why the same set of contractors (including foreign) have been participating in most of the works contracts. The CPAR team was also informed that the rules and procedures for bid submission and opening are often not adhered to. Instances reported include breaches of confidentiality and collusion between the procuring entity and bidders leading to competitors' bids being revealed before the official opening and bidders being allowed to replace their bids based on this information. Despite all these shortfalls in the system, bidders rarely complain. Based on information from the private sector the reasons for the lack of complaints are:

- *Unclear procedures of complaint:* Even though the PPA is quite clear as to the process of complaint the PPA is not widely known, and the consensus seems to be that personal relations with people tend to create more results.
- *Lack of enforcement:* Despite huge discrepancies between the law and actual practices, a relaxed attitude towards the enforcement of existing rules prevails.
- *Lack of adequate sanctions:* As the law does not provide the option of annulment of the contract once it is in force, the aggrieved bidder is only left to seek economic damages.

Key Recommendations on Procedures and Practices.

11. These weaknesses can only be resolved over a period of time. In the short and medium term the following actions should be taken:

- Enforce existing rules on advertising, pre-qualification, submission and opening of bids, and the use of appropriate evaluation criteria through regular audits and application of effective sanctions.
- Put in place a credible complaints mechanism by strengthening the capacity of CTB to take complaints and establishing the Public Procurement Appeals Authority to provide a functioning avenue of complaints for bidders.
- In the medium term, procurement planning should be enforced through monitoring and capacity building, with the aim of ensuring that procurement plans are prepared and brought to the standards required by existing rules. At the same time guidelines for selection of bidders for quotations should be issued to strengthen enforcement of the existing rules on

equal treatment of bidders. A government funded procurement journal should also be established in the medium term.

Organization and Resources

Key Findings

12. **Organization**. The current organizational set up of the procurement function is prone to inefficiency and lacks accountability. This inefficiency and lack of accountability mainly stems from the current centralized system. As mentioned above, the CTB holds both executive and regulatory powers, which contributes to an unstable situation where the CTB on one hand participates in the procurement procedure and on the other hand enforces the same procedures. The executive role of the CTB also leads to lack of accountability and responsibility at the level of the ministerial tender boards and the ministerial Accounting Officers, who are otherwise responsible for the budget but not for procurement.

13. **Capacity**. In terms of capacity, it was observed that at all levels of the administration, procurement is being handled, often improperly, by untrained, non-specialist staff. The lack of capacity is much more pronounced at the lower levels of administration particularly at the community level. With the government's recent policy to promote Community Driven Development (CDD), there will be a need to pay much more attention in the capacity issue at this level. The lack of capacity constitutes a major weakness of the entire procurement system.

14. **Procurement Function**. The government has been using the Government Stores (GS) for its expertise in procurement and also to achieve the economies of scale but GS has neither the funds nor the organizational capacity to do so. It was also observed that presently procurement is not recognized as an established profession within the public sector and does not present an attractive career path. This situation stands in the way of establishing the necessary capacity for proper procurement in compliance with existing rules and it is important that measures for capacity building are systematically devised as soon as possible. At the local government level the lack of capacity at the technical level is exacerbated by tender boards which are composed of politicians (councilors). Politicians are responsible for approving the budget and supervising its implementation, but should not be involved in the executive role of dispersing the funds. The recently gazetted Local Government Regulations have removed councilors from the district tender boards.

Key Recommendations on Organization and Resources.

15. The following short and medium term actions are being recommended to address the above issues.

Short Term

- Separate the operational and Regulatory functions of the CTB, decentralize procurement to ministerial level and establish a Regulatory Authority (RA) as an autonomous body reporting directly to the Minister of Finance
- Prepare a capacity building strategy. This would entail conducting a survey of the existing capacity at central and local government levels, estimating the demand for procurement staff, conducting a training needs assessment, conducting a survey of the training capacity (institutions and trainers) in Tanzania and preparing a training strategy that will ensure availability of sufficiently trained professionals in the market over a period of time.

Medium Term

- Establish an Information Management System linking RA with procuring entities
- Establish a new cadre of procurement specialists while phasing out supplies officer cadre and at the same time establishing a new professional body (Procurement Professionals Body – PPB) to replace the National Board of Materials Management.

- Establish a system of certification for procurement specialists
- Introduce a Selective Accelerated Salary Enhancement (SASE) scheme for key procurement staff
- Implement procurement training program targeting both public and private sector.

Long Term

- Close Government Stores and introduce a system based on framework agreements

Audit and Anti-Corruption

Key Findings

16. It is generally recognized that corruption is a widespread phenomenon within procurement. Corruption in procurement is explained by a number of factors, including lack of accountability of public servants and lack of transparency at certain stages of the procurement process. Low public service salaries and lack of morale (also on the part of the private sector) were other cited reasons. As indicated in paragraph 2, it is estimated that at the national level about 20 percent of the government expenditure on procurement is lost through corruption. Transparency International (TI) has consistently ranked Tanzania among the most corrupt countries in the world. However, there has been a significant improvement in this ranking during the past five years (1998-2002) both in relative terms (ranking in relation to other countries) and qualitative terms (with the quantitative score improving from 1.9 in 1998 to 2.7 in 2002).

17. This positive development is due to three main reasons. *Firstly,* most government ministries have taken deterrent measures to identify corrupt offiicials and expose or retire them "in public interest". *Secondly*, the government has demonstrated a long-term commitment to eradicate corruption. In November 1999, the National Anti-Corruption Strategy and Action Plan (NACSAP) was issued by the President's Office. Combating corruption in procurement is one of seven priority areas of the NASCAP. *Thirdly*, there is increased awareness by the general public of the debilitating effect of corruption to the national economy. The general public knows that corruption diminishes public revenue, undermines fair trade, frustrates economic development and increases human suffering.

18. Auditing of public procurement is exercised by the National Audit Office (NAO). The NAO is an independent agency under the Ministry of Finance as described in the Public Finance Act (PFA) of 2001. According to the PFA, the Controller and Auditor-General is responsible for auditing of all public expenditure and shall report on this to the National Assembly. As a relatively new measure, the PFA requires the NAO to conduct value for money audits for the purposes of "establishing the economy, efficiency and effectiveness of any expenditures or use of resources by any Ministry of department". In addition, the NAO is urged to make recommendations to the Minister of Finance with the purpose of: preventing or minimising unproductive expenditure of public money; maximising the collection of public revenues; and averting loss of public resources by negligence, carelessness, theft, dishonesty, fraud, and corruption.

19. In recent years the NAO has received increased funding from the GoT to match its comprehensive powers and duties. However, it is widely recognized that the NAO still lacks capacity and skills for procurement auditing, with the result that auditing of public procurement is less comprehensive than necessary to ensure a high degree of compliance with the PPA and to combat corruption effectively.

Key Recommendations on Audit and Corruption

20. The following actions are being recommended to reduce corruption in public procurement:

- **Training of Prevention of Corruption Bureau (PCB) investigators.** The PCB has indicated an urgent desire to have a core group of about 60 investigators trained in procurement. The training required by the PCB should cover basic procurement principles and procedures and should integrate both technical and legal aspects of procurement. A proper understanding of basic procurement principles and procedures will enhance the skills of PCB staff in investigating corruption in procurement.

- **Monitoring public procurement – access to information and the involvement of civil society and the media.** In many countries, the involvement of civil society, the media and the general public in the monitoring of public procurement has served as an important early warning and awareness raising mechanism. An important prerequisite for civil society and media monitoring of public procurement is the possibility of obtaining timely and reliable information about the procurement process. This requires that as much information as possible is made public and that publication is made without delay and in a manner which makes it easily accessible, including to interlocutors outside the government system. A broader legal framework entitling citizens to obtain information from the public sector is lacking. A draft Freedom of Information Act has been developed but has not yet been passed by Parliament.

- **Involving the media.** The involvement of the media in creating public awareness on corruption constitutes one of the seven pillars of the National Anti-Corruption Strategy and Action Plan (NASCAP). The media serve as an important watchdog in exposing the negative effects of misconduct and corruption within procurement. Also, the media may serve as an important partner in efforts to strengthen public awareness on procurement issues. Unfortunately, the Tanzanian media are presently not fulfilling the watchdog role, and sound investigative journalism on corruption and procurement is very limited. Among journalists the knowledge of procurement is virtually non-existent, and this situation should be alleviated by the introduction of procurement training specifically designed for the journalists.

- **Introducing whistleblowing mechanisms.** Whistleblowing is the popular term for the act of raising a concern about malpractice within an organisation. As a means of allowing and encouraging citizens to blow the whistle on malpractices within public procurement, it is suggested that a hotline be established. The hotline could be operated by the RA or by the PCB, which already has a broader corruption hotline.

- **Strengthening the audit capacity of the NAO and increasing the frequency of audits**. The NAO needs more trained staff to enable it to effectively carry out its mandate.

Trade, Commercial Practices and the Private Sector

Key Findings

21. Tanzania's effort to reform and improve its trade environment has picked up speed over the last five years. The most important factors for this improvement are more transparent and lower tariff rates and an elimination of most export and import licenses since the mid 1980s. The CPAR team identified two major issues in commercial practices that have substantial impact on procurement. The first issue concerns the high cost of financial services and the second one is related to pre-shipment inspection (PSI) vis a vis destination inspection (DI). Obtaining bid securities and letters of credit is very costly. The value of the security must either be 100% cash cover or the value of the contract must be at least 125% of the secured amount. The high lending rates and costs of bid security are caused by the unstable legal environment, the high cost of capital, a high degree of risk, general loan and collateral recovery problems. Commercial lending rates are high (17% in November 2002). Tanzania has PSI and this is according to generally established procedures. However, there is strong evidence that PSI, due to external factors, i.e. development of technology, is inefficient, and the introduction of a Post Entry Audit Program in December 1999 to inspect the already inspected goods confirms this notion. All indicators point towards an urgent need to move from PSI to Destination Inspection.

Key Recommendations on Commercial Practices

22. Based on the above findings, the CPAR recommends: (a) Revising and simplifying procedures for businesses to obtain collateral thus allowing the activation of hidden value in land and other property; (b) Looking into the possibilities of establishing a guarantee scheme or another support measure (excluding any forms of subsidy) that may lower the high interest as well as performance and bid bond costs. The guarantee scheme would ensure that even if the borrower defaults, the loan will still be repaid; and (c) Drawing and implementing a plan to shift from PSI to DI.

Performance of World Bank Financed Projects

Key Findings

23. Parallel with the CPAR exercise an Independent Procurement Review (IPR) of 138 contracts was carried out. The contracts included: 40 in Health Sector Development Fund Project; 34 in Integrated Roads Project (IRP-II); 25 in Agricultural Research Projects, 35 in Social Action Fund Project; and 14 in Public Service Reform Project. The total of 138 contracts reviewed are funded by World Bank, the African Development Bank and the Government. The main shortcomings identified were:

- Poor procurement planning, leading to packaging of procurements that do not support value for money. The weakest area is in the selection of wrong procurement methods.
- Inadequate advertising, limiting the field of potential bidders, thereby reducing competition and value for money.
- Excess use of shopping method, reducing the portion of the project costs that are carried out through the preferred tendering methods.
- Lack of proper documentation of tender process and record keeping, hindering proper enforcement and audit of projects.
- Evaluation reports of uneven quality, leading to non-transparent application of award criteria.
- Unrealistic implementation timeframes applied, leading to extensions of timeframes, which again increases costs.

Recommended Supervision Plan

24. In order to address these shortcomings a series of supervision measures are recommended:

- The importance of proper procurement planning, including packaging and choice of procurement method must be emphasized by providing additional focus on substantiating the individual steps of the procurement plan.
- The issue of inadequate advertisement should be seen in the context of the recommendation to establish a procurement journal in Tanzania. Mandatory use of such a journal would certainly address the problems of potential bidders having to access different sources of information.
- The remarkably high percentage of procurement carried out by the shopping method should be examined more closely and all accounting officers should be required to substantiate why a shopping method was used if not in the procurement plan.
- The poor record keeping could be addressed by stepping up the number of audits, and by requiring a signed list of the present contents of the procurement file as a prerequisite for Bank approval.

Prior Review Thresholds.

25. In the light of the above findings, the procurement environment in Tanzania has been classified as generally high risk but specific classification will vary from project to project depending on the capacity of the implementing agency as determined on a case by case basis by the procurement capacity assessment. In the context of this classification, the prior review maximum thresholds in Table A will apply for the various procurement methods used in World Bank financed projects..

Table A: Maximum Prior Review Thresholds and Procurement Methods

Expenditure Category	**Contract Value Threshold** US$ equivalent			**Procurement Method**	**Contracts Subject to Prior Review**
	High Risk	Medium Risk	Low Risk		
1. Works					
Major Works	≥500,000	≥5,000,000	≥10,000,000	ICB	All
Small works	<500,000	<5,000,000	<10,000,000	NCB	Ex-Post
Minor Works	<50,000	<50,000	<50,000	At least three written quotations from qualified contractors	Ex-Post
2. Goods	≥250,000	≥500,000	≥1,000,000	ICB	All
	<250,000	<500,000	<1,000,000	NCB	Ex-Post
	<30,000	<30,000	<30,000	Shopping	Ex-Post
3. Consultancy Services					
Firms[4]	≥100,000	≥350,000	≥750,000	QCBS	All
	<100,000	<350,000	<750,000	CQ/QBS/LCS/FBS	Ex-Post
Individuals	≥50,000	≥100,000	≥200,000	IQ	All
	<50,000	<100,000	<200,000	IQ	Ex-Post
Firms/Individuals	All	All	All	Single-Source	All
4. Training, Workshops, Study Tours	≥50,000	≥50,000	≥50,000	QBS/CQ/LCS/IQ	All
	<50,000	<50,000	<50,000	QBS/CQ/LCS/IQ	Annual plans

QCBS – Quality and Cost Based Selection
CQ – Consultants Qualifications
LCS – Least Cost Selection
FBS – Fixed Budget Selection
IQ – Individual Qualifications in accordance with Section V of the Guidelines.

[4] For contracts estimated to cost US$200,000 or less the shortlist of firms may consist entirely of national consultants

ZANZIBAR

Key Findings

26. Currently procurement in Zanzibar is carried out on an ad hoc basis. Until July 1, 2002, procurement was supposed to have been carried out in accordance with the 1965 Treasury Instructions but for unknown reasons these were suspended a number of years ago without any replacement procedures. Under these Instructions, all contracts above 1.0 million shillings were required to be approved by the Central Tender Board (CTB). When the Instructions were suspended, ministries were approving all their contracts either through the Principal Secretary or through a ministerial tender board. However, in many cases, the Zanzibar Ministry of Finance (ZMOF) purchased the goods on behalf of the other ministries. All the other ministries had to do was to submit their requirements to the ZMOF which would carry out the procurement process without involving the user ministry - - this includes the procurement of drugs where the Central Medical Stores would normally have been involved. A law to establish a Central Tender Board became effective on July 1, 2002.

27. The law is supposed to have been modeled on the mainland 2001 procurement law which, inter alia, establishes the mainland Central Tender Board. However, besides the fact that the law is completely different from the mainland law, it has not been implemented because there are no regulations in place - - a consultant has now been retained to draft them. The team has reviewed the Zanzibar law and has found it fundamentally flawed. For instance, the law mandates the CTB to: prepare tender documents; approve the documents; issue them; evaluate the tenders received and approve the contract award. The law gives the full responsibility of procurement to the CTB. There are a number of other areas which need to be strengthened. Given these problems, the CPAR team recommends suspending implementation of the law. The issue is that there is currently a void which has to be filled. The team is recommending that the Minister of Finance issues Instructions authorizing ministries to approve all contracts (essentially legalizing what they are currently doing) while the CTB issue is being sorted out

Key Recommendations

28. Given that 4.5% of PRSC funds will go to Zanzibar, the situation needs to be addressed urgently. The following immediate actions are recommended

- Issue intermediary instructions to legalize the current procurement practices
- Revise the legal framework, i.e. the CTBA to reflect standards of a sound procurement system
- Draft and issue procurement Regulations
- Reform the CTB into a purely regulatory body
- Establish ministerial tender boards and procurement management units.

In the medium term Zanzibar will need to:

- Introduce a flexible model for delegation of authority from CTB to ministerial tender boards
- Establish a Public Procurement Appeals Authority modeled on that of the mainland
- Develop and implement procurement training program for key institutions and individuals

Action Plan for Implementing Proposed CPAR Recommendations

29. The attached Table B is a proposed Action Plan for the above key recommendations.

Table B – Action Plan for Key Recommendations

Issue	Action Required	Timing			Responsibility
		Within 12 months	Within 24 months	Beyond 24 Months	
Weak Legal and Regulatory Framework	Disseminate New Local Government Regulations	♦			President's Office - Regional Administration
	Establish the Public Procurement Appeals Authority	♦			MOF
	Introduce necessary amendments to the PPA including decentralizing procurement operations, establishing a Regulatory Authority, introducing time limits for processing procurement actions and providing protection for whistleblowers	♦			MOF/CTB
	Establish a Procurement Journal		♦		MOF
Weak Enforcement of Existing Procedures	Enforce existing rules on advertising, pre-qualification, submission and opening of bids, and the use of appropriate evaluation criteria through regular audits	♦			MOF/CTB/RA
	Introduce a credible complaints mechanism, by strengthening the complaints handling ability of the CTB and establishing the Public Procurement Appeals Authority	♦			MOF
	Enforce procurement planning through monitoring and capacity building		♦		MDAs/CTB/RA
Weak Organization and lack of Resources	Separate operational and regulatory functions of the CTB, establish RA and decentralize procurement	♦			MOF
	Prepare Capacity Building Strategy	♦			CTB/CSD
	Establish Information Management System linking RA with procuring entities		♦		RA
	Establish New Cadre of Procurement Specialist		♦		RA/CSD
	Establish a system of certification for procurement specialist		♦		RA
	Close Government Stores and introduce a system based on framework agreements			♦	MOF
	Introduce Selective Accelerated Salary Enhancement (SASE) scheme for key procurement staff		♦		CSD
	Implement procurement training program targeting both public and private sector		♦		RA
Corruption	Train PCB investigators on procurement		♦		PCB
	Monitor public procurement through involvement of civil society and media			♦	RA
	Introduce whistleblowing mechanism by opening a procurement hotline		♦		PCB
Weaknesses in Commercial Practices	Revise and simplify procedures for obtaining collateral for securing loans		♦		MOF
	Look into possibilities of establishing a guarantee scheme that could lower the cost of bid and performance bonds			♦	MOF
	Draw and implement a plan to shift from PSI to DI			♦	MOF
Weaknesses in World Bank Financed Projects	Enforce preparation of acceptable procurement plans with appropriate procurement methods		♦		MOF/RA/NAO
	Enforce use of Procurement Journal for advertising			♦	RA
	Initiate a study on the apparent excessive use of the shopping method	♦			RA
	Enforce proper record keeping through frequent procurement audits			♦	RA/NAO

Issue	Action Required	Timing			Responsibility
		Within 12 months	Within 24 months	Beyond 24 Months	
Weaknesses in the Zanzibar System	Issue intermediary instructions to legalize the current procurement practices	♦			Ministry of Finance Zanzibar
	Revise the legal framework, i.e. the CTBA to reflect standards of a sound procurement system	♦			Ministry of Finance Zanzibar
	Draft and issue procurement Regulations	♦			Ministry of Finance Zanzibar
	Reform the CTB to maintain limited executive function	♦			Ministry of Finance Zanzibar
	Establish ministerial tender boards and procurement management units	♦			Ministry of Finance Zanzibar
	Introduce a flexible model for delegation of authority from CTB to ministerial tender boards		♦		Ministry of Finance Zanzibar
	Establish a Public Procurement Appeals Authority modeled on that of the mainland		♦		Ministry of Finance Zanzibar
	Develop and implement procurement training program for key institutions and individuals			♦	