THE IMPACT OF GOOD GOVERNANCE ON PUBLIC SECTOR PROCUREMENT IN TANZANIA: A CASE OF MINISTRY OF FINANCE
THE IMPACT OF GOOD GOVERNANCE ON PUBLIC SECTOR PROCUREMENT IN TANZANIA: A CASE OF MINISTRY OF FINANCE

By
Adolph E. Bugara

A Dissertation Submitted in Partial Fulfillment for the Requirement of the Award of Master of Science in Procurement and Supply Chain Management Degree of Mzumbe University

2013
CHAPTER ONE
INTRODUCTION AND BACKGROUND TO THE PROBLEM

1.1 Introduction
This study aimed to introduce the concept of good governance on Public sector Procurement in Tanzania, its relevance in governance, and significance of its application for sustainable economic development. Good governance has been said to have significant impact on different disciplines including public sector procurement, as this part of the government has been the biggest spender of the public funds. There have been a lot of public complaints on the misuses of funds, corruption including preference in tendering proceedings. These factors have led the researcher to conduct the study on impact of good governance on public sector procurement in Tanzania.

1.2 Background to the Problem
Today governments all over the world have received a great deal of attention as providers of essential services, such as health, education, defense and infrastructure. To be able to meet the demand for these services, governments purchase goods and services from the marketplace. In other words, governments are purchasers of works, supplies and services from the open market, placing their demands alongside those of the private sector. The business operations of governments in the marketplace or public procurement have thus both economic and political implications. Yet, until not too long ago, the subject of public procurement would have received little attention by academic researchers and policy makers, because it was considered an administrative function too mundane to worry about (Wittig, 1998).

Essentially, a public procurement system is a set of rules that guide a government’s purchasing of goods, works and services, however big or small. Procurement reform seeks to guide all purchases: from a new blackboard to textbooks for all schools; from getting an engineer to mend a toilet to renovating an urban water system. The drive budget support has increased attention on government procurement – particularly because it represents a large part of government budgets (OECD, 2006). If there are no rules guiding this expenditure, there is a clear risk that money will be allocated inefficiently or inappropriately.
This perhaps explains why so many countries have had conditions set in recent years. Our analysis reveals that Afghanistan, Bangladesh, Ghana, Peru, Rwanda, Sierra Leone, Tanzania and Uganda have all introduced new procurement legislation since 2001 in response to the World Bank conditions. Public procurement is perhaps one of the most controversial of all procurement reforms, because it has both important economic policy implications and governance implications (Ha – Joon Chang, 2002).

Public procurement is different from private procurement, because in public procurement the economic results must be measured against more complex and long term criteria. Furthermore, public procurement must be transacted with other considerations in mind, besides the economy. These considerations include accountability, non-discrimination among potential suppliers and respect for international obligations. For these reasons, public procurement is subjected in all countries to enacted regulations, in order to protect the public interests. It is worth noting that unlike private procurement, public procurement is a business process within a political system and has therefore significant consideration of integrity, accountability, national interest and effectiveness (Wittig, 1998).

The importance of public procurement in terms of size relative to world GDP and world trade is highlighted by an OECD report (OECD, 2001). In this report, the value of the contestable government procurement market was estimated at over $2, 000 billion in 1998. This is equivalent to 7 per cent of world GDP and 30 per cent of world merchandise trade. In a related study, Trionfetti (2000), estimates that the size of public procurement varies between 5 and 8 per cent of GDP in most industrialized countries. For the Middle East and Africa, the magnitude of central government purchases ranges between 9 and 13 per cent. These figures indicate that public procurement is important in the economies of both developed and developing countries.

Insofar as public procurement has important economic and political implications, ensuring that the process is economical and efficient is crucial. This requires in part that the whole process is well understood by both the actors (the government, the procuring entities, the business community/suppliers) and other stakeholders, including the professional associations, academic entities and the general public. Unfortunately, for most developing countries, this is not the case. Although several developing countries have taken steps to
reform their public procurement systems, the process is still shrouded by secrecy, inefficiency, and corruption and undercutting. In all these cases, huge amounts of resources are wasted.

1.3 Statement of the Problem

Tanzania like other countries in the world has been stressing on good governance/rule of law. But in recent years since the introduction of multiparty system we have witnessed many issues like corruption, ineffective public sector procurement proceedings in which some government officials, politicians and others have been connected with those procurement proceedings or procurement, where they have been expected to demonstrate the concept of good governance in the country. This situation has been causing public complaints and grievances due to unsatisfactory public sector procurement.

During the financial year 2006/2007, Procurement Audit in twenty (20) PEs were carried out through USAID under the Procurement Reform Project. The project focused on curbing corruption in the Public Procurement. It was observed that 71% of all Procurements in public institutions were incorrect and did not comply with the regulations of Public Procurement Act of 2004. Despite the fact that we are now having the tools in place (PPRA & PPAA) to bring about “transparency” in public procurement, under social and economic phenomena there are still complaints that the playing field is not leveled, although they all agree that transparency in tendering proceedings can improve the Public Procurement System. It is the aim of this research to investigate the Impact of Good Governance on Public Sector Procurement in Tanzania.

The estimation of the size of public procurement in most African countries, Tanzania in particular encounters a number of conceptual as well as technical problems. Conceptually, the composition of the entity called “public” poses a problem. While in some countries the term refers to the central and local governments only, it is extended in others to include government-owned enterprises providing public services, such as telecommunications, railways and water companies. Thus where it is not clearly specified, the term “public” may be used to refer to very different entities, which may not be comparable across countries. With these factors, the researcher thought it was important to conduct this study
in order to identify the impact of good governance on public sector procurement in Tanzania.

1.4 Objectives of the Study

1.4.1 General Objective

The general objective of this research was to identify the impact which good governance has on public sector procurement in Tanzania.

1.4.2 Specific Objectives

i. To identify the effects of good governance on public sector procurement in Tanzania.

ii. To identify the relationship between good governance and public sector procurement in Tanzania.

iii. To examine if good governance encompasses ethical issues to be adhered to by players in public sector procurement proceedings in Tanzania.

iv. To suggest measures that are needed to improve the situation.

1.5 Research Questions

1.5.1 General Question

The main research question of this study was, what is the impact of good governance on public sector procurement in Tanzania?

1.5.2 Specific Questions

i. What is the effect of good governance on public sector procurement in Tanzania?

ii. Is there any relationship between good governance and procurement sector in Tanzania?

iii. Does good governance encompass ethical issues to be adhered to by players in public sectors procurement in Tanzania?

iv. What measures should be taken to improve the situation?
1.6 Significance of the Study

This research is a partial fulfillment for the award of Masters Degree in Procurement and Supply Chain Management of Mzumbe University. So the findings of this study on the “Impact of good governance on Public Sector Procurement in Tanzania: case study of MoF” will have the following significances:

To the researcher, the study has provided adequate knowledge on how to conduct an academic research. Not only that, but also the study has added much on the body of knowledge and gives the insights of good governance on public sector procurement in Tanzania.

To the MoF, the study will assist the ministry to evaluate itself in line with the research findings and recommendations.

To the General Public, the study has revealed to general public the weaknesses of good governance on public sector procurement system in Tanzania and corrective measures to be applied to rectify the situation.

To the policy makers, this study will assist those who are in positions to promote and formulate administrative policies and plans pertaining to good governance and Public procurement to formulate appropriate policies.

To other Researchers, the findings of the study will save as a guide for future reference for other researchers on the same problem and pave a way on further investigation on the impact of good governance on public sector procurement.

1.7 Limitations of the Study

During the research, several constraints were faced by the researcher. These constraints among others were; Time availability for preparation and submission of the research report was too short in relation to the deadlines set by the University. Apart from that, access of data was another constraint, availability and retrieval of relevant data both from primary and secondary sources was a challenge to the researcher. This was due to the confidentiality and management reasons and some respondents’ reluctance. Not only that
but also financial factor was a great threat to the researcher particularly in relation to all requirements needed to conduct the research. This was due to the fact that funds are a scarce resource.

1.8 Delimitation of the Study
Available of time was taken into account by deciding a particular method of data collection. Also the researcher selects a small sample size as the case study rather than survey to make the findings sound under the said constraint. The problem of accessing the data and information was taken in to account by using non probability sampling which concentrated on the resourceful and authoritative personnel’s of MOF Respondents identities was assured for not revealing information from them will be only for the research purpose not otherwise. Financial constraint was minimized by using the sample rather than whole population and the sample selected was the researcher’s destination which is in Dar es Salaam.

1.9 Scope of the Study
The study was conducted in the Headquarters of the Ministry of Finance and Economic Affairs located in Dar es Salaam. The study assessed the Impact of Good governance on Public Procurement at the MoF. The researcher decided to select this Ministry because it is the one which deals with all fiscal policies and economic affairs of the country and is the area where policies pertaining to Good Governance are formulated and supervised during implementation. Due to the fact that the case study focused on only one Ministry, it wasn’t a wise decision to come up with results that could be generalized.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
This chapter attempts to define the various concepts of the subject matter, reviews both theoretical and empirical studies conducted by other researchers related to this topic. Conceptual framework of this study and the research gaps are also given.

2.2 Theoretical Basis of the Study
2.2.1 Public Procurement
Public procurement is broadly defined as the purchasing, hiring or obtaining by any other contractual means of goods, construction works and services by the public sector. Public procurement is alternatively defined as the purchase of commodities and contracting of construction works and services if such acquisition is effected with resources from state budgets, local authority budgets, state foundation funds, domestic loans or foreign loans guaranteed by the state, foreign aid as well as revenue received from the economic activity of state. Public procurement thus means procurement by a procuring entity using public funds (World Bank, 1995a). The items involved in public procurement range from simple goods or services such as clips or cleaning services to large commercial projects, such as the development of infrastructure, including roads, power stations and airports.

Public procurement has become one of the special areas of interest for the government to improve its economy and welfare of its people. This being the case any economic reform must go hand-to-hand with reforms in the procurement system. Procurement and Logistics in modern business is no longer viewed as a cost centre. In the contemporary business world the procurement process has been recognized to be a tributary of an organization’s budgetary stream (Mkisi, 2005).

This scenario is an imperative phenomenon that manifests in management of procurement and logistics transactions, regardless of whether the functions are carried out in private or public organizations. One unique and vivid fact is that both private and public entities determine through their budget process how resources are to be applied or expended to meet established goals. Thus, the concept of value for money is not restricted to public
procurement alone, but is applicable to all entities established for a service as an economic goal.

Unlike private sector procurement, public procurement is a business process within a political system. Just as a private entity operating in an open market can be judged by its customers as regards quality of products or services; governments of today are judged on the quality of governance provided to its citizens. The common term used in this regard is good governance, which in essence bags for transparency and integrity on public procurement transactions with value for tax payers’ money.

2.2.2 Good Governance

Miria (2010), defines good governance as the process of decision making and implementation. It is the process whereby public institutions conduct affairs, manage public resource and guarantee the realization of human rights in a manner essentially free of abuse, corruption, and with due regard to the rule of law.

Good governance is an indeterminate term used in international development literature to describe how public institutions conduct public affairs and manage public resources. The concept of good governance often emerges as a model to compare ineffective economies or political bodies with viable economies and political bodies [Wikipedia, the free encyclopedia].

The World Bank report (1992), titled “Good Governance and Development” defines Good governance as the manner in which power is exercised in the meeting of the country’s economic and social resources for development. The World Bank report (1994) entitled “Governance” set out elements of good Governance under four different aspects which are:

(a) Public-sector meeting which is predominantly technical, changing the organizational structure of a sector agency to reflect new objectives, making budgets work better, sharpening civil-service objectives and placing public-enterprise managers under performance contracts.

(b) Accountability in which Governments and their employees should be held responsible for their actions.
(c) Legal framework for developments. Appropriate legal systems should be created that provides stability and credibility, which are the essential elements in creating an economic environment in which business risks may be rationally assessed.

(d) Transparency and information both pervade good governance and reinforce accountability. Access to information for various players in the market is essential to a competitive market economy.

The African Development Bank (AFDB) defines government as the process of referring to the way in which power is exercised in meeting the affairs of a nation and good governance focuses on the following elements; Accountability, Transparency, Combating Corruption, Participation, Legal and Judicial reform.

The United Nations Development Programme (1997) defines good governance as the processes and structures that guide political and social-economic relationship. Governance has three dimensions; economic, political and administrative. Economic governance includes the decision making processes that affect a country’s economic activities and its relationships with other economies. Political governance is the process of decision making to formulate policy. Administrative governance is the system of policy implementation. [www.ifad.org/gbdoc/eb].

2.2.3 Characteristics of Good Governance
The United Nations ESCAP identified eight (8) major characteristics of good governance which are:-

**Participation**
Participation could be either direct or through legitimate intermediate institutions or representatives.

**Rule of Law**
Requires fair Legal frameworks that are enforced impartially, full protection of human rights and independent judiciary.

**Transparency**
Means information is freely available and directly accessible to those who will be affected by such decisions and their enforcement.
Responsiveness
Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe.

Consensus contented
Good governance requires mediation of different interests in a society to reach a broad consensus in a society on what is in the best interest of the whole community and how this can be achieved with broad and long term perspective.

Equity and inclusiveness
A society’s well being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups, particularly the most vulnerable, have opportunities to improve or maintain their well being.

Effectiveness and efficiency
Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal.

Accountability
This is the key requirement of good governance. Organizations or government officials are accountable to those who will be affected by their decisions or actions. Accountability cannot be enforced without transparency and the rule of law.

Together with other researchers’ findings on the importance of transparency on social economic development, the researcher wants to establish a theory on the impact of transparency with respect to public procurement being one of the pivotal elements in social economic development.

2.3 Empirical Literature Review
Structural Adjustment Programme (SAP) was different from the other three approaches as it concentrated on reforms both in the Economy and political issues. It states that, the state should eliminate itself from controlling the economy but base on formulating policies and regulations to make sure that the playing field is leveled and let the private sector play its part. It went further stating that there should be political pluralism and nothing should be provided freely by the state, only to disabled persons and the oldest. This let us to cost sharing schemes for education and medical care under President Mwinyi’s rule.
The reforms, created a sudden freedom and loopholes as a result of corruption, which is now a global agenda. Due to high degree of corruption (mainly in the procurement system) the economy didn’t grow due to the fact that people were using the public office for personal gains as a result of a wide gap between the rich and the poor.

Corruption being another obstacle for the economic development of the poor countries the donor community including the Breton Woods Financial Institutions came up with the idea of Good Governance (GG). Under GG agenda there is Accountability, Transparency, and the Rule of Law, which opposes to Corruption which is associated with the highest degree of Monopoly, Discretionally power, minus Accountability and Transparency. i.e. 

$$GG = A + T + RL$$

and 

$$C = M + D - AT.$$  

(Kihiyo, 2003).

The series of reforms in different programs shows the importance of transparency in the social economic development of any country. With transparency, accountability comes automatically and therefore a corruption free zone.

Perhaps in order to understand the current state of procurement corruption and make necessary recommendations on a mitigation strategy we need to look at recent history of East African Countries. Within the last decade this region witnessed renewed eruption of procurement corruption. As democratic winds swept the world after the fall of the Berlin wall, Kenya reluctantly agreed to multiparty democracy in 1992 (Ogachi, 2005).

But in order to perpetuate themselves in power, the ruling elite coalescing around the ruling party KANU not only devised the Goldenberg scandal but also reinvented procurement corruption in Government departments and the armed forces in particular. No one could question the single sourced contracts as military and other security related procurements were expected to be handled in secrecy. The problem took a similar pattern in Uganda and Tanzania although in a different style.

Accordingly to Ogachi (1990), the bureaucrats’ dirty deals were coming out in the open, a move largely fuelled by the new found civil society push for “transparency” and
“accountability” in government. During the cold war, countries like Tanzania and Kenya often traded their allegiance to one of the two superpowers for that superpower’s countenance of their thievery. Tanzania with its socialist regime warming up to the then USSR and Kenya at close range with the USA was a perfect climate for continuing to plunder state resources. With the super power contest over in 1990 however, such corrupt bargains dried up and the gravy train shifted to another level and the bureaucrats continued with their new found route to personal enrichment through lucrative public contracts.

But this greed faced another challenge in the continuing cat and mouse chase and search for “transparency”. Once people learned that politicians had been on the take it was only natural that there would be donor community and public outcry for a war on procurement corruption. In haste, countries such as Uganda and Tanzania enacted procurement legislation. In Uganda, the legislation has fallen into implementation problems especially at local authority level.

Tanzania despite its elaborate legislation seems to be catching up with its “capitalist” neighbour Kenya in terms of procurement corruption. Due to political vested interests Kenya did not have a succinct legislation in place but implemented some of the WB recommended reforms by just inserting rules and regulations under the Exchequer and Audit Act. The subsidiary legislation could be amended overnight at the whims of the President or any other powerful politician. For the past five or so years Kenya has been using a faulty legislation that does not seem to take us far (Ogachi, 2005).

Current procurement legislations, procedures and systems are capable of evasion and hence not necessarily effective in delivering corruption free public sector procurement. The main problem as pointed out before emanating from the top level politicians and bureaucrats who need to oil their political ambitious through money derived from underhand contracting opportunities. The first solution then albeit a long term one, should be to put in place truly democratic governments and institutions that are independent of the person in power. Sadly though with Uganda moving into lifetime presidency mode, Kenya throwing constitution reforms out of the window, and Tanzania quickly catching up with the rest, this option seems to be a pipe dream for now (Ogachi, 2005).
This leaves us scratching the basics for answers to a corruption free East African. To be sure we could enact laws and create capacity to implement these rules and regulations but nothing short of a cultural paradigm shift is needed here.

According to Ogachi, the following strategies need to be addressed in order to achieve transparency, corruption free and value for money public sector procurement system. First, entrench the procurement legislation in the constitution; second, create an autonomous procurement oversight authority whose director general has security of tenure and is accountable to parliament; third, make simple and user friendly procurement rules and regulations; fourth, emphasize on procurement planning and open competitive bidding; fifth, provide a mechanism for review of procurement proceedings; six, spell out deterrent punishments for procurement related corruption including debarment; seventh, employ trained and qualified procurement professionals; and finally, train internal users and sensitize suppliers on procurement best practices.

Procurement systems and procedures need to be geared towards minimizing corruption but entities have to go further than legislation to understand individual officers’ psyche and reasons for engaging in this vice. It is only then can one put in place a system that is simple enough but quite effective in dealing with public sector procurement corruption in East Africa (Ogachi, 2005).

Attainment of accountability, integrity and value for money, call for procurement control methods that must be formulated and put in place at institutional and legislative levels of government and business organizations (Mkisi, 2005).

This strategy has been adopted in the three East African countries of Uganda, Kenya and Tanzania. Appropriate, pieces of legislations have been put by governments in these countries. For example, in Uganda the law known as Public Procurement and Public Asset Disposal Act has been a champion in this step in that it has enacted the public procurement Act No. 21 of 2004 which has repealed the previous Act No. 3 of 2001. On the part of Kenya government, a similar Act has been enacted on the same lines.
The objective of these legislations is to put a force of law for adherence by public officers charged with the duty of executive public procurement functions. It is intended that in the process, the required transparency will be practiced. Technically, problems arise due to the lack of data and sometimes the manner in which it is kept and reported. In Tanzania under consideration, the authorities in charge of public procurement do not keep public procurement information. Instead the procuring entities in the different ministries, departments and local authorities keep the information.

The manner in which this information is kept and its quality vary widely. As such, there is no reliable procurement data that can be used to measure the size of public procurement in Tanzania. In the absence of procurement information, public procurement can be indirectly estimated by using public expenditure figures. In principle, government expenditure on goods, works and services is public procurement. However, certain expenditures need to be netted out of these figures, as they are not contestable and therefore do not qualify as public procurement. To estimate public procurement, Trionfetti (2000), nets out expenditure on social security, pension transfers and interests on public debt from total government expenditure. Also to be netted out are salaries of public sector employees, purchases of military material and subsidies.

Most of the data required for estimating public procurement are available from the official government publications. In Tanzania, for example, public expenditure information in their economic surveys is not classified by economic categories, i.e. as labour costs, interests, subsidies, etc. It was however possible to obtain this information from other sources, sometimes directly from the institutions involved. The problem with this is that the data so obtained may not be consistent and comparable.

In order to enhance supervision and control; improve transparency in evaluation of tenders, and entrench collective responsibility, the Warioba Commission recommended that a Directorate of Contracts Control and Works Inspection be created in the then Ministry of Works. “The country should set up an institution independent and reporting to the parliament that has the same technical capacity than those companies so that they can evaluate and determine the value, production, contribution, in tax and profit sharing” (NiweMugizi, 2006).
PPAA was established in 2004 in requirements of section of the PPA No. 3 of 2001 and aimed at further improvement of governance in Public Procurement. In fact the public procurement process is getting so transparent that attempts to victimize a gaming supplier out our personal or institutional interests may boomerang and land corrupt officials in trouble. The point here is that suppliers should not fear to situations like this one where the mechanism to protect them is in place (Editorial Comments, Tanzania Procurement Times, Jan 16th -22nd, 2006).

Considering that many problems facing the Central Store are caused by disregard of procedures and regulations governing supplies, steps must be taken to restore discipline at the Central Government store and should be done in a transparent and competitive way by manufacturers and wholesalers and middlemen must be avoided.

On his televised speech on 2nd October, 2006 President Jakaya Kikwete said that; “transparency” should go beyond the government’s Institutions up to NGOs level. They must declare before the Public what they have received and how they have spent those funds.

Governments of the world have always constituted the largest segment of public funds pending. It is in this regard that for quite some time now, the International Trade Centre (ITC), UNCTAD/WHO has shown great concern on public procurement issues. This concern has been the background to current public procurement reforms, with particular interest to governments of developing world. It has been held that, effective public procurement systems in such governments will allow suppliers to provide satisfactory quality service and price within a timely delivery schedule.

Public procurement basic tenet is straight forward, that is, acquit the right item at the right time and at the right price, to support government development and service plans, the formula appears to be a simple one, while the needs for accountability, integrity and value for money are far beyond acceptable levels. A serious and sustainable review of procurement systems is needed to properly manage the public procurement functions (Mkisi, 2005).
To see how an accountable process might work in a developing country, consider Oldenburg’s (1987) description of a successful effort to control corruption in the land, consolidation process in Uttar Pradesh in India in the 1980s. The keys were on an open process with real participation by those affected, time pressure and speedy and fear appeals. Government officials managed the process, but no one could proceed with planting until the new land distribution system was complete. Disappointed households could appeal and obtain quick decisions that the participant generally viewed as fair (Ackerman, 1977).

Some of these findings are the same to those revealed by Kanjiro (2004) on employment and employability in Tanzania public organizations which indicated that all public institutions with high pay and fringe benefits such as the Bank of Tanzania (BOT) and Tanzania Revenue Authority (TRA) were dominated by employees from higher class.

According to Hon. Hawa Ghasia (MP), in her speech on the Role of the Public Service Reform Programme towards Development Vision 2025 Intervention, Tanzania has made efforts in putting in place Institutional Mechanism for good governance through the reform Programs. Indeed some achievements have been made and many governments and Institutions outside Tanzania acknowledge this fact. These include the following: Decentralization by devolution to local Government Authorities, the Strengthening of the corruption prevention organ, Prevention and Combating of Corruption Bureau (PCCB), Improving record management and use of ICT, Enhanced leadership capacity including the establishment of Leadership Institute, National Audit Office Strengthened, Ethics Secretariat created and Strengthened. The Ethics Promotion Division created within the President’s Office, Public Service Management, The Human Right established, the Public Service Commission as an oversight body, Recruitment Secretariat recently created, creation and strengthening of Public Procurement regulatory agency. Increased influence of Civil Society and pressure groups, Investigative journalism encouraged, strengthening of Tanzania Revenue Authority. Introducing business processes re-engineering to strengthen internal organizational system and undertaking surveys to monitor anti-corruption drive successes/failures has been put in place.
2.3.1 Public Procurement system in Tanzania

Nkinga (2003), represented the background of Public Procurement system in Tanzania based on Policy objectives and legal framework whereby under Policy objectives of the old public procurement system were under the following perceptions:

2.3.2 Source of Procurement

There was a presumption that supplies and equipment / plant must be purchased from the Government Stores Departments (Government Stores operated by the Ministry of Works, the Medical stores operated by the Ministry of Health, the Veterinary Stores and the Maji Stores operated by the Ministry of Water and Livestock Development and the Government Press Printer operated by the Prime Minister’s Office) and / or the Electrical and Mechanical Division within the Ministry of Works. The Government Stores Departments were created to procure and supply goods to the ministries and government departments.

2.3.3 Procurement process

Under the old public procurement system for Central Government and local Government Authorities, procurement was required to be made through the following entities:-

- Government Stores Department within the Ministry of Works for all stationery, office supplies, fuel, lubricants, etc;
- Medical Stores Department for all medical or pharmaceutical supplies,
  i) Veterinary Stores Department for all veterinary supplies,
  ii) Maji Stores Department for all supplies related to water supply,
  iii) Government Press for all printing and forms,
  iv) Contractors approved by tender boards for procurement other than (i) – (v) above.

2.3.4 Preference for Procurement

Where competition was between private bidders and public institutions, preference and procurement was to be made from public institutions. Where the competition was between public institutions of different locations, procurement was to be made from the public institutions located within the district or region where that procurement was being made.
2.3.5 Legal Framework
Over forty years have passed since the old framework of Public Procurement in Tanzania was established. Under the old Public Procurement system, the legal environment was based mainly on the Exchequer and Audit Ordinance, CAP 439 of 1961, the various laws establishing the specific public authorities.

2.3.6 Central Government
Under the Central Government, several different legal frameworks, regulations, rules and procedures applied in public procurement are as follows:

The Exchequer and Audit Ordinance CAP 439 of 1961 provided for the control and management of Government funds. The procurement process for acquiring goods and works was articulated in the Financial Orders Part III (Stores Regulations), 5th Edition, 1965. These Stores Regulations were used in accordance with Section 7 of the Exchequer and Audit Ordinance, CAP 439 of 1961. These applied to Central Government Ministries.

In 1991, the Government promulgated specific General Regulations for the Procurement of Works, Services and Supplies under the Integrated Roads Project under the Ministry of Works. The regulations were issued in October, 1991. As the title suggests, these regulations were only applicable to the Integrated Roads Project.

The Ministry of Education and Culture had its own separate procedures.

The Central Medical Stores Department had its own legal framework, the Medical Stores Tender Board Act No 13 of 1993.

2.3.7 Legal Government Authority

In 1982, Local Government Authorities were re-established after ten years of decentralization of government administration under the Decentralization Act, 1972. The re-establishing laws, that is, Local Government (District Authorities) Act No 7of 1982 and the Local Government (Urban Authorities) Act No. 8 of 1982 gave the local authorities the objectives among others of promoting economic development within their areas of jurisdiction.

Public Procurement in the Local Government Authorities was therefore, regulated by the Local Government (District Authorities) Act No 7 of 1982, the Local Government (Urban Authorities) Act No 8 of 1982 and the Local Government (Finances) Act No 9 of 1982. Pursuant to Section 42 of the Local Government (Finances) Act No. 9 of 1982, the Urban Councils’ Financial Memorandum was issued in 1983.

2.3.8 Parastatal Enterprises / Organizations

Between 1967 and 2000, the Tanzanian economy was characterized by a heavy dependency of state owned enterprises, often referred to as parastatal enterprises/organizations. In 1994, estimates put the number of parastatal enterprises at about 450 – small and large. These enterprises spanned virtually all the major sectors of the economy notably agriculture, mining, energy, industry/manufacturing, transport, communications, trade, tourism and construction. Holding corporations had the responsibility of undertaking new investments on behalf of the Government. While a number of operating companies were established under the Public Corporations Act of 1970, a number of them were set up under the Companies Ordinance CAP 212. Functionally, the parastatal enterprises fell under two basic categories namely, direct productive enterprises and service enterprises. There were a number of parastatal enterprises outside of the control of holding corporations. These were largely statutory organizations controlled from respective parent ministries via their board of directors. In the Tanzanian context therefore, the term parastatal is used to refer to a public enterprise which is quasi-autonomous and outside of the regular civil service structure.

Public procurement in parastatal enterprises / organizations was therefore regulated by the specific laws which established the specific parastatal organizations. In addition, each parastatal organization promulgated its own financial and procurement regulations.
2.3.9 Executive Agencies
As part of the Civil Service Reform Program, Executive Agencies were created from Government departments with significant autonomy from central bureaucracy, enabling them to operate in a more businesslike manner, thus leading to greater effectiveness and efficiency and better quality services. It was initially planned to create 38 executive agencies. To date, 12 executive agencies have been created.

2.3.10 Structure, Organization, procedures and Control
Initially, the overall responsibility for procurement rested with the Ministry of Works. This responsibility was later transferred to the Ministry of Finance. The Financial Orders Part III (Stores Regulations), 5th Edition of 1965 stipulated that the purchase of stores or the letting of a contract, the cost of which was more than Tshs 1,000,000 (currently equivalent to US$ 1,000) for any one item, required the authority of either the Central Tender Board or the Regional Tender Board.
The Central Tender Board processed tenders for the ministries and government departments with the exception of Urban and District Authorities, Ministry of Education and Culture, educational institutions, parastatal enterprises, Ministry of Defense and National Service and Medical Stores Department.

The Government Stores Departments were other institutions authorized to supply a range of common user items to Government. They used their bulk purchasing powers to obtain good prices, quality and delivery and therefore, the user organizations did not approach the tender boards for approval once they purchased from the Government Stores Departments. There was a mandatory requirement on government ministries and departments to purchase from Government Stores Departments.

2.3.11 New Public Procurement System
In February, 2001 new public procurement legislation was passed by the Parliament and was subsequently signed into law (The Public Procurement Act No 3 of 2001) by the President. The Act became effective on 1st July, 2001.
The Act provides a comprehensive coverage of all regulatory aspects critical to public procurement. The new Act: (a) applies to all procurement undertaken by public institutions except for financially independent parastatal organizations and for defense procurement, (b) makes deference to the international obligation of Tanzania at the intergovernmental and international levels, (c) does not cover contract performance or implementation phase, (d) takes into account certain differences between the procurement of goods, works and selection and employment of consultants and (e) establishes several tender boards with the responsibility for procurement, review of tender documents and contract awards in accordance with pre-determined thresholds.

The Act also provides for the establishment of the Public Procurement Appeals Authority to settle procurement disputes before judicial review process. The Public procurement ACT, (PPA 2004) repealed the PPA 2001. The PPA 2004 decentralized fully the procurement functions to procuring entities and established oversight body known as The PPRA, further more the Government operationalised fully the PPAA with the function of resolving complaints and disputes arising from the procurement process.


2.3.12 Good governance initiatives made by the Government of Tanzania
Open Government Partnership (2011), is analyzed on key pillars of GG namely; transparency, citizen participation, accountability and integrity and Technology and innovation. OGP outlined some of the initiatives that have been undertaken by the Government to improve good governance.

Transparency
Current measures that the Government has put in place to improve transparency are:
Establishment of three Parliamentary Watchdog Committees chaired by members from Opposition Parties to oversee Government performance and utilization of resources in Central, Local Government and Parastatal Organizations;

Establishment of public complaints desks in Central and Local Governments. These desks are handled by focal persons appointed by Institutional Chief Executives to receive complaints from the public regarding service delivery, take appropriate action and provide feedback to the public;

Introduction of suggestion boxes in Ministries, Departments and Agencies (MDAs), Regions and Local Government Authorities (LGAs) offices and service delivery centres aimed at receiving complaints, suggestions and feedback from the public;

Establishment of oversight Boards and Committees at Health, Education and Water service delivery centers. The Boards and Committees are composed of representatives from Councils, community and service providers;

Establishment of the Public Procurement Regulatory Authority (PPRA) to ensure that all tendering processes are properly adhered to in accordance with Public Procurement Act. The Act requires, among others, to advertize all tenders in the newspapers and websites;

Publication of quarterly Budget Expenditure Reports (BERs) and disbursements of funds from the Treasury to MDAs, Regions and LGAs in the newspapers and the Ministry of Finance (MOF) website. Likewise, the funds disbursed to LGAs are posted at Councils’ notice boards and the detailed breakdown of funds sent to service delivery centres such as schools and health facilities are posted on the notice boards and public places; and

Joining the African Peer Review Mechanism (APRM) in 2004, an African continent initiative based on self assessment in thematic areas of political, economic and corporate governance.

**Citizen participation**

The initiatives that have been taken to ensure citizens’ participation include:

Establishment of Citizen’s Website in 2007 to allow citizens to give their opinions, ask questions and get feedback from the Government;

Formulation and approval of Local Government budgets through a participatory approach known as “Opportunities and Obstacles to Development” (O&OD). The approach allows
villages to prepare plans and budgets and submit them to the higher LGA level for inclusion in the Council’s plans and budgets;

Establishment of sector dialogue mechanism involving Government, Civil Society Organizations (CSOs), Private Sector and Development Partners aimed at increasing effectiveness and efficiency in the implementation of sector development programmes. One of the key functions of the sector dialogue is to undertake Annual Joint Sector Reviews (JSRs) whereby, annual sector performance reports are presented and priority actions for the subsequent year discussed and agreed upon;

Establishment of Public Expenditure Review (PER) dialogue. PER is a high level dialogue between Government, Development Partners, CSOs and other social groups. It is a technical advisory forum that the Government uses to draw views/comments for improving planning, budgeting and financial management;

Establishment of Annual Policy Dialogue to review PER, General Budget Support (GBS) and National Strategy for Growth and Reduction of Poverty (NSGRP) or MKUKUTA in Kiswahili acronym. This is a single event that draws about 1,000 participants from the Government, CSOs, Private Sector, Development Partners and Faith-Based Organizations (FBOs) whereby inputs from the forum feed into the National Plan and Budget process;

Open and transparent system of village land allocation that requires the Village Assembly to pass a resolution to allocate Village Land to an individual or a firm that has submitted land request to the Village Government. The Village Assembly constitutes all villagers with or above 18 years. According to Village Land Act all Village Leaders have no mandate whatsoever to allocate land. Gender sensitive village and ward tribunals have been established to handle land disputes;

Involvement of citizens and other stakeholders into the formulation of policies or laws to obtain their views and suggestions before they are passed by the Parliament; and Establishment of country-level network (CLK net), a platform for providing opportunity to draw input from the public for policy development and review
Accountability and integrity

Some of the measures taken are:

Introduction of Client Service Charters in Government Institutions aimed at enhancing transparency and accountability in public service delivery. The Charter specifies the services and goods that the clients are expected to receive from the institution, clients’ rights and obligations and the feedback mechanisms available to enable the institution monitor and evaluate its performance;

Establishment of the National Anti-corruption Strategy and Action Plan (NACSAP) in 1999. The NACSAP provides the framework within which MDAs, Regions and LGAs are required to initiate concrete measures to address corruption in their areas of jurisdiction. A NACSAP National Steering Committee has been established drawing members from Government and Non-State Actors to oversee implementation of the strategy;

Establishment of Institutional Integrity Committees at Central and Local Government level with the responsibilities of ensuring that staff in the relevant institutions adhere to ethical behavior and professional standards at work places;

Introduction of Public Expenditure Tracking Surveys (PETS) whereby, Government in collaboration with CSOs track the implementation of budget and assessment of value for money.

Strengthening of the Internal Audit function by appointing a Chief Internal Auditor General who oversees all internal audit activities in all MDA’s, Regions and LGAs. Internal Audit Units are now reporting to the Chief Internal Auditor General instead of reporting to the institution’s management in which they are based;

Introduction of formula based grant allocation system that facilitates allocation of resources to LGAs in an open and transparent manner. The formula is used to allocate resources based on specific criteria such as population, access to services, poverty index, and land area;
Establishment of Integrated Financial Management System (IFMS) to manage public expenditure in accordance with approved budgets by parliament. All MDAs, Regions and LGAs are connected to IFMS; and

Enactment of Election Expenses Act of 2010 to enforce accountability of campaign finances by Political Parties. The Act aims at controlling the use of money beyond the threshold provided and curb corruption practices in elections.

**Technology and Innovation**

Government commitment to improve technology and innovation remains to be one of the top most agenda. Initiatives to date include:

Approval of the National Information and Communication Technology (ICT) Policy in 2003 has set the platform to transform Tanzania into a knowledge-based society. The policy has been a foundation for Government departments, learning institutions, Non-Governmental Organizations (NGOs), as well as other entrepreneurs to acquire ICT solutions to support service delivery. Some of the service delivery systems that are currently in place are: Financial Management Systems, National Payroll Systems, Human Resource Management Systems, Websites and sector specific support systems;

Construction of the Terrestrial National Optic Fibre Cable (OFC) covering a distance of 10,674 Km. This initiative will ensure Central and Local Governments in the country are connected to this Backbone. The completion of the OFC will enhance access to information and data sharing among different stakeholders;

Establishment of Tanzania Beyond Tomorrow (TBT) e-education Development Programme. The programme focuses on development of e-learning in Schools, Adult and Non-Formal Education centers and Colleges, e-Management and Administration in Education, e-Library and Education Management Information System (EMIS). To date, all 34 Government Teachers Colleges have internet connectivity and equipped with e-learning facilities;
Establishment of Telemedicine services focusing on provision of distance clinical health care and improving access to medical services to save life and handle emergence cases in remote communities. This initiative focuses on provision of specialized health care services. Currently, telemedicine services are provided at Ocean Road Cancer Institute (ORCI) in Dar es Salaam in collaboration with 10 hospitals in India;

The existence of Health Management Information System (HMIS) for collection and management of health related data for planning and monitoring to inform decision making;

Establishment of Water Sector Management Information System (WSMIS) containing a web based water point mapping system as a tool for planning and monitoring of water distribution services; and

Establishment of the Tanzania Global Learning Agency (TaGLA), a capacity development technology hub that links to over 120 similar facilities globally for knowledge sharing and training through innovative approaches; and

Establishment of e-Government Agency (eGA), an innovative institution to oversee, coordinate and promote the use of ICT to improve service delivery
2.4 Conceptual Framework

*Fig. 2.1: Conceptual Framework: on the Impact of Good Governance on Public Sector Procurement in Tanzania*

The conceptual framework model/figure reads from the bottom to the top. The problem modeling/conceptual framework shows that there is a big relationship between the public sector procurement and good governance. This means that good governance overrules and always is reflected on the functions/activities which are

**Source:** Researcher’s Construction, 2013

**Explanation**

The conceptual framework model/figure reads from the bottom to the top.

The problem modeling/conceptual framework shows that there is a big relationship between the public sector procurement and good governance. This means that good governance overrules and always is reflected on the functions/activities which are
performed under it (national operations ethics and flows are replica of the prevailing governance).

The government (top officials) has/have influence on the type of governance and their perceived picture of what kind of good governance they think they should use in administering and operationalises different activities within and outside the national boundaries.

Therefore, the concept here is that the firm’s good governance sustains implementation and adherence to laws, educates the general public on laws, rights and justice pertaining to their lives, social and economic activities. These stages always pave the way to responsibility and accountability, where by this platform leads to fairness, pure competition and transparency in different national activities as far as public sector procurement are concerned.

Fairness, pure competition and transparency having been adopted then the concept of responsibility and accountability will result to ethical transformed public PMUs, Contractors, Consultants, Non-Consultancy Service Providers, Suppliers and users. Moreover, this attained level of good governance will also achieve public sector procurement objective which will impact to recognition, acceptance and trust from the general public and other world societies (Donors, WB).
CHAPTER THREE
RESEARCH METHODOLOGY AND PROCEDURES

3.1 Introduction
This chapter gives details on the way in which the study was done. It shows type of the study which was descriptive research, the research area – MoF Headquarters Dar es Salaam and the sample taken as well as the method of sampling used and the reasons for the choice of each method.

3.2 Area of the study
The area of the research study was the MoF Headquarters. The researcher selected the area based on the roles and functions of the MoF as explained below. Not only that but also the area minimized the cost of the research since the researcher is living and working in Dar es Salaam.

3.2.1 Vision, Mission and Values of MoF
High economic growth and macro-economic stability, sound financial management and accountability achieved and sustained.

The mission of the MoF is to achieve and maintain high economic growth, macro-economic stability, sound financial management through development of robust fiscal and monetary policies and enhancing professionalism and promote the use of IT.

To attain the intended goal, the following are agreed to be the Core Values of the Ministry: Innovativeness, Professionalism, Customer focused, Commitment to work, Efficiency, Participatory management, Teamwork, Timely service delivery and Integrity

3.2.2 Role & Functions of MoF
The Ministry of Finance and Economic Affairs manages the overall revenue, expenditure and financing of the Government of the United Republic of Tanzania and provides the Government with advice on the broad financial affairs of Tanzania in support of the Government’s economic and social objectives.

The Ministry oversees budget preparation and execution. Each year in June, the Minister
The Ministry is also vitally concerned with the performance of the Tanzanian economy, international trade, monetary affairs and other aspects of the global economy that affect Tanzania’s domestic performance. Given the Ministry’s wide-ranging advice and policy role, Ministry officials work closely with officials in other Ministries, agencies and departments to ensure that the Government’s overarching poverty reduction strategies are implemented and objectives attained.

Due to the fact that the Ministry’s work directly affects all Tanzanians, it is actively engaged in public consultations – examples include the Task Force on Tax Reforms and the Public Expenditure Review. The Ministry recognizes that an open, accessible budget-planning process plays an important role in more effective and responsive decision-making. This is an integral element of the Ministry’s Client Service Charter.

3.3 Research Design
There are many definitions of research design. Mark Saunders (2009) defines research design as a general plan on how to go about answering research questions. Kothari (2005) contents that a research design is the conceptual structure within the research are conducted. It constitutes the blue print for the collection, measurement and analysis of data.
Kombo and Tromp (2003), define research design as an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance with the research purpose.

There are three types of research designs; descriptive design (Case Study), exploration design (Survey) and experimental design. For this study the researcher used case study design. This was due to the fact that, the study designed to be conducted at a single unit, that was the MoF, including its departments. This type of research design accommodates almost all research instruments such as questionnaires, interviews, observation and documentary sources (Kothari, 2004).

This design enabled the researcher to report not only the findings but also measuring, analyzing, comparing and interpreting data. Moreover, the researcher believed that descriptive research design was appropriate and relevant to the study because the problem was well defined in advance and the main task was to identify the impact of Good governance on Public Sector Procurement in Tanzania.

Through this method, the researcher collected information by interviewing or administering questionnaires to the sampled of individuals, the main purpose of the descriptive design was to describe the state of affairs as it existed.

3.4 Sampling Techniques and Sample Size

3.4.1 Sampling Techniques

Sampling is the process of selecting a sufficient number of elements from the population so that a study of the sample provides an understanding of its properties or characteristics to the population elements (Sekaran, 2006).

The researcher adopted non - probability sampling. Non – probability sampling is that sampling procedure which does not afford any basis for estimating the probability that each item in the population has a chance of being included in the sample (Kothari, 2004).

In this case however, the researcher included only 70 respondents from the Management team, User Departments, and PMU staff.

The researcher also adopted simple random sampling technique to other employees of the MoF.
3.4.2 Sample Size
The sample of this study was drawn from the list of different staff of the MoF Headquarter and in supporting the concept of generalization, validity and reliability of data and other units of the sample was drawn from outside the MoF as table No. 3.1 for the expected number of respondents show. Therefore the sample size comprised of 70 respondents from the population of 264 staff.

Table 3.1: Expected Number of Respondents (Sample Size)

<table>
<thead>
<tr>
<th>Category of Respondents</th>
<th>No. Of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>PMU</td>
<td>10</td>
</tr>
<tr>
<td>SVU</td>
<td>8</td>
</tr>
<tr>
<td>Personnel and Administration</td>
<td>5</td>
</tr>
<tr>
<td>IA</td>
<td>10</td>
</tr>
<tr>
<td>Policies</td>
<td>7</td>
</tr>
<tr>
<td>Legal Units</td>
<td>5</td>
</tr>
<tr>
<td>Finance</td>
<td>7</td>
</tr>
<tr>
<td>Other users</td>
<td>18</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>70</strong></td>
</tr>
</tbody>
</table>

Source: Researcher’s Construction, 2013

3.5 Data Collection Methods
The researcher used the following methods for data collection in collecting both primary and secondary data.

3.5.1 Interviews
This is a face to face oral interaction between the interviewer and interviewee designed purposely for collecting information from the interviewee. Both formal and informal interviews were used to those respondents with limited time to fill the questionnaire. The nature of interview was structured in such a way that the questions asked needed some sort of elaboration. In this study the use of structured interviews was so important. However, the researcher employed this method to key informants in the Procurement Management Unit.
This type of data collection method was applied also to the interviewees who were not conversant with the questions in the questionnaire and who were not ready to fill the forms due to the fact that they had other issues to deal with, these were Head of PMU, Personnel And Administration, Policies department and Finance department.

3.5.2 Questionnaires

A questionnaire contains a number of questions printed in definite order on a form or set of forms, and they are to be given to the respondents in the course of data collection so as to answer them in the absence of the researcher. The questions were open-ended type. In this case, the study adopted this method in collecting data because the respondents were answering these questions in their own time, in the absence of the researcher and therefore, the respondents had enough time to fill them. Questionnaires as a means of data collection were applied to employees of various departments such as Internal Audit, Legal Unit, SVU and some members from PMU.

3.5.3 Observation

This is a careful means of looking at the events as they occur in their natural settings; Moreover, observation enables the researcher to observe the behaviour of the observed element at any place where it is for instance people in their working places. Porter (1990) says careful observation must highly be employed because it is necessary to observe everything. This method was used by the researcher whereby he observed the events related to public procurement proceedings done in the study area at a particular time.

3.5.4 Documentary Reviews

The researcher reviewed different documents such as Annual Reports, website for the Ministry and any other available records for study purposes, but the review was only limited to documents which were relevant to the research topic.

3.6 Data Analysis

Two data analysis strategies were used to enable the researcher to come up with sound analytical clarity for the purpose of the study, these included:
3.6.1 Data Processing
Given the nature of the study, quantitative techniques were used to analyze the data. Percentages and ratios were used basing on the responses from various groups as they were obtained by the researcher. Cross Tabulation was also adopted to explain some relationships. In these approaches common sized cross percentages responses from different departments were compared in tabular form to achieve maximum comparability of the answers from the respondents. Inferences were drawn from the percentages and graphs were drawn to show the relationships.

3.6.2 Specific Analytical Techniques used
The following data analyses techniques were employed;

Quantitative Data Analysis Strategy
This made use of mathematical techniques to analyze data. For this research, percentages, and ratios were used basing on the responses from various groups as obtained by the researcher.

Qualitative Data Analysis Strategy
These are factual and logical statements made to analyze the data gathered. They basically include various explanatory phrases of what was obtained from the field, through personal field observation and comments from the respondents. The SPSS statistical software was used to analyze the data.

3.7 Ethical Issues
In some cases it was very necessary to observe number of ethical issues before conducting the research, and these were among ethical issues to observe:

- **Competence:** The participants were competent to give consent. If the participant was not competent due to mental status, disease, or emergency, a designated surrogate to provided consent if it was in the participant's best interest to participate.

- **Understanding:** The participants understood what had been explained and were given the opportunity to ask questions and have them answered by the researcher. The
informed consent document was written in lay language to so as allow easy understandability.

- **Disclosure:** The potential participants were informed as fully as possible of the nature and purpose of the research, the procedures to be used, the expected benefits to the participants and/or society

- **Consent:** The potential human subject authorized his/her participation in the research study, preferably in written and oral consent.

- **Voluntariness:** The participant's consent to participate in the research was voluntary, free of any coercion or promises of benefits unlikely to result from participation.

### 3.8 Accuracy and Reliability of Data

Validity is concerned on how the data appear as perceived to be and reliability can be tested by finding out such things about the said data, by looking at who collected data, at what source and time, was there any biasness of complier, (Kothari, 2009). If the above doubt/questions prove to be clean then we can always rely on data.

Researchers questioned those selected from procurement professionals’ group and other key users and suppliers who were well informed with the practices of good governance and therefore the researcher collected the most accurate and up to date data which can be relied upon. Further, the researcher used random sampling method in sample selection, thus facilitated the objectivity of data and report, where the selected sample size was the real representative of the population.
CHAPTER FOUR
PRESENTATIONS, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Introduction
This chapter presents analysis and discussion on the study findings obtained from the sample used and studied case using different tools, namely; questionnaires, interviews, documentary reviews and observations. The prime purpose of data analysis is to ultimately provide evidence in form of responses to the research questions in respect to the stated objectives formulated to assist in analyzing the overall objective of the study. This study aimed at investigating the Impact of Good Governance on Public Sector Procurement in Tanzania. This chapter analyses and discusses the gathered information based on specific objectives.

4.2 General characteristics of the respondents
The sample constituted of 70 respondents where by 68 responded. Therefore the response rate in this study was 97 percentages. The sample included staff of the Ministry of Finance for the purpose of making this report more objective. For the purpose of ensuring that the study was objective and data collected were valid and reliable, questionnaires were given to the respective groups of respondents, and thus 68 responses were used as the base of analysis for this study.

Table 4.1: Distribution of Respondents by Gender

<table>
<thead>
<tr>
<th>Despondence</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td>39</td>
<td>57</td>
</tr>
<tr>
<td>Females</td>
<td>29</td>
<td>43</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research findings, 2013

Table 4.1 shows that males constituted a big number of respondents (57%) compared to females (43%). This can be due to the fact that a number of male employees in public sectors is greater than females.
Table 4.2: Distribution of Respondents by age group

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) 18-25</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>b) 26-35</td>
<td>24</td>
<td>35</td>
</tr>
<tr>
<td>c) Above 35</td>
<td>38</td>
<td>56</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Research findings, 2013

Table 4.2 shows that the age of respondents was between 18-25 years which of respondents was 9%, between the ages of 26-35 years was 35% while 56% of respondents were above 35 years. This implies that many respondents from the studied sample were above 35 years then followed by those between 26-35 years.

Table 4.3: Distribution of Respondents by level of Education

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Certificate</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>b) Diploma</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>c) Bachelor or Degree</td>
<td>41</td>
<td>60</td>
</tr>
<tr>
<td>d) Postgraduate Studies</td>
<td>25</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Research findings, 2013

Table 4.3 shows that there was no respondent who had a certificate level of education but 3% of the respondents had diploma level of education while 60% had bachelor degrees and 37% had postgraduate degrees or diplomas in a certain field of study or profession. This means that most of the employees in the MoF possessed degree level of education and also others possessed other qualifications.
Table 4.4: observation Schedule

<table>
<thead>
<tr>
<th>SN</th>
<th>Observation Aspect</th>
<th>Y</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The presence of transparency in tendering process</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>Tender Board existence and performing their duties accordingly</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Existence of PMU with autonomy in its dealings</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Adherence of tendering procedures in tendering</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Sufficient qualification and experience for member of PMU</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Any un ethical issue noted in the department</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Source: Research findings, 2013

Table 4.4 shows that through researcher’s observation the people who are performing procurement duties have sufficient qualification and experience for their jobs. These findings imply that the MoF has a well educated workforce, which is a healthy situation. Educated employees are expected to perform their jobs efficiently and effectively because they have the required knowledge and skills.

4.3 To identify the effects of good governance on public sector procurement in Tanzania

This objective was meant to address the following research question: Is there any contribution which is made by good governance to public sector procurement in Tanzania?

Table 4.5: Distribution of respondents on effects of good governance

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Yes</td>
<td>58</td>
<td>86</td>
</tr>
<tr>
<td>b) No</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>c) I do not know</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research findings, 2013
Table 4.5 and figure 4.1 show the contribution which is made by good governance to public sector procurement in Tanzania. The findings revealed that 86% of respondents said that good governance has a contribution towards public sector procurement in Tanzania, while 4% of respondents said good governance has no any contribution towards public sector procurement in Tanzania. Ten percent of the respondents said that they did not know whether there is any contribution which is made by good governance to public sector procurement in Tanzania or not.

Moreover, those who responded through interviews on whether the concept of good governance is fully practiced and administered from every angle of the public sector and has a positive contribution towards public procurement, is also supported by Edson Mkisi (2005) who says “Unlike private sector procurement, public procurement is a business process within a political system. Just as a private entity operating in an open market can be judged by its customers as regards quality of products or services; governments of today are judged on the quality of governance provided to its citizens. The common term used in this regard is good governance, which in essence, bags for transparency and integrity on public procurement transactions with value for tax payers’ money”.

Source: Research findings, 2013
The above argument is also supported by the UNDP (1997), which defines good governance as the processes and structures that guide political and social-economic relationship. Governance has three dimensions; economic, political and administrative. Economic governance includes the decision making processes that affect a country’s economic activities and its relationships with other economies. Political governance is the process of decision making to formulate policy. Administrative governance is the system of policy implementation.

4.4 To identify the relationship between good governance and public sector procurement in Tanzania

This research objective sought an answer to the following research question: ‘Is there any relationship between public sector procurement and good governance?’

Table 4.6: Distribution of respondents on relationship between public sector procurement and good governance

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Yes</td>
<td>63</td>
<td>93</td>
</tr>
<tr>
<td>b) No</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>c) I don’t know</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Research findings, 2013*
Table 4.6 and figure 4.2 show that from the question which was probing if there was any relationship between public sector procurement and good governance; 93% of respondents agreed that the relationship is there, while 3% said no and 4% said they did not know if there is any relationship between public procurement and good governance. Moreover, those who responded to interviews apart from agreeing that there was a relationship, they went further by explaining that good governance is about ensuring everything which is done or conducted within the autonomous controls or powers to be governed by the rules and regulations concerned. These responses are in conformity with the following findings/observations:

i. Some of these findings are the same to those revealed by Kanjiro (2004), on employment and employability in Tanzania public organizations which indicated that all public institutions with high pay and fringe benefits such as the Bank of Tanzania (BOT) and Tanzania Revenue Authority (TRA) were dominated by employees from higher class.

ii. According to Hon. Hawa Ghasia (MP), in her speech on the Role of the Public Service Reform Programme towards Development Vision 2025 Intervention, Tanzania has made efforts in putting in place Institutional Mechanism for good governance through
the reform Programs. Indeed some achievements have been made and many governments and Institutions outside Tanzania acknowledge this fact. These include the following; Decentralization by devolution to local Government Authorities, the Strengthening of the corruption prevention organ, Prevention and Combating of Corruption Bureau (PCCB), Improving record management and use of ICT, Enhanced leadership capacity including the establishment of Leadership Institute, National Audit Office Strengthened, Ethics Secretariat created and Strengthened. The Ethics Promotion Division created within the President’s Office, Public Service Management, The Human Right established, the Public Service Commission as an oversight body, Recruitment Secretariat recently created, creation and strengthening of Public Procurement regulatory agency. Increased influence of Civil Society and pressure groups, Investigative journalism encouraged, strengthening of Tanzania Revenue Authority. Introducing business processes re-engineering to strengthen internal organizational system and undertaking surveys to monitor anti-corruption drive successes/failures.

All the above literatures support in one or another the existence of a direct relationship between good governance and public procurement.

4.4 The extent of good governance in the MoF

Table 4.7: Distribution of respondents on extent of good governance

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Good</td>
<td>59</td>
<td>87</td>
</tr>
<tr>
<td>b) Very Good</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>c) Weak</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>d) Very weak</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>e) I don’t know</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research findings, 2013
Figure 4.3: What is the extent of good governance in your organization/Ministry?

Source: Research findings, 2013

Table 4.7 and figure 4.3 show that 87% of respondents said that the extent of good governance at the Ministry of Finance is good, 6% said that the extent of good governance in Ministry is very good and 7% said that they did not know the extent of good governance in the Ministry of Finance. But even those who responded through interviews said that the extent is good only the minority 6% said the extent of good governance in the Ministry is very good. Even through observation schedule was noted that the extent of transparency in tendering process is not good. These findings indicate that they still doubted their ministerial good governance situation.

4.5 To know if good governance encompasses ethical issues to be adhered to by players in public sector procurement proceedings in Tanzania

Table 4.8: Distribution of respondents on whether good governance overrules public sector procurement

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Yes</td>
<td>57</td>
<td>84</td>
</tr>
<tr>
<td>b) No</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>c) I don’t know</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research findings, 2013
Table 4.8 and figure 4.5 indicate 84% of respondents agreed that good governance overrules public sector procurement, while 9% said that it does not overrule public sector procurement, 7% said they did not know. Those respondents who were interviewed in order to get an elaboration said that good governance overrules public sector procurement since it encompasses different public activities including procurement.

Table 4.9: Distribution of respondents on the state of fairness on procurement proceedings in your institution

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Not good at all</td>
<td>26</td>
<td>39</td>
</tr>
<tr>
<td>b) Good</td>
<td>34</td>
<td>50</td>
</tr>
<tr>
<td>c) Very good</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>d) None of the above</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research findings, 2013
Table 4.9 and figure 4.6 show that 39% of the respondents said that the state of fairness on procurement proceedings in their institution is not good at all, while 50% said that the state of fairness is good, 7% said that the state of fairness to their institution is very good and 4% said none of the above fitted their institution state of fairness on procurement proceedings. These findings reveal that the state of fairness on procurement proceedings is good though not very good which implies that the situation is good though not very good.

Table 4.10: Distribution of respondents on “What have you noticed in your ministry/institution/organization”?

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) User complaints on quality</td>
<td>23</td>
<td>34</td>
</tr>
<tr>
<td>b) Symptoms of corruption in procurement proceedings</td>
<td>29</td>
<td>43</td>
</tr>
<tr>
<td>c) Misunderstanding within PMU staff</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>d) Collusion among actors in procurement proceedings</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research findings, 2013
Table 4.10 and figure 4.7 show that 34% of the respondents said that they have noticed users’ complaints on quality, 43% said that they have noticed symptoms of corruption in procurement proceedings while no any response was given to misunderstanding within PMU staff, and 23% of respondents said that there was collusion among actors in procurement proceedings. Therefore these findings show that the first and most noticed thing is the symptoms of corruption in procurement proceedings, the second users’ complaints on quality and third is the collusion among actors in procurement proceedings.
Table 4.1: Distribution of respondents on “What do you think is the most destructive factor for the positive and ethical public procurement proceedings in public sector”?

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Corruption</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>b) Un due influence</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>c) Lack of good governance</td>
<td>22</td>
<td>32</td>
</tr>
<tr>
<td>d) Employees, unsatisfactory salaries</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>e) Poverty</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>f) Politicians are also traders</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>g) Technical/expertise in procurement proceedings</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>h) I don’t know</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research findings, 2013

Figure 4.7: What do you think is the most destructive factor for the positive and ethical public procurement proceedings in public sector?

Source: Research findings, 2013

Table 4.11 and figure 4.8 show that the most destructive factor for the positive and ethical public procurement proceedings in public sector is lack of good governance as commented by 32% of the respondents while 22% said it is corruption and 19% of the respondents...
said it is undue influence. The fourth obstacle is the act of politicians being also traders which was mentioned by 18% of respondents.

Table 4.12: Distribution of respondents on “What do you think are the obstacles to fair and transparent Public procurement in Tanzania”? (Mention at least four)

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corruption</td>
<td>45</td>
<td>24</td>
</tr>
<tr>
<td>Due influence</td>
<td>41</td>
<td>21</td>
</tr>
<tr>
<td>Lack of good governance</td>
<td>61</td>
<td>32</td>
</tr>
<tr>
<td>Politicians are also traders</td>
<td>44</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>191</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research findings, 2013

Figure 4. 8: What do you think are the obstacles to fair and transparent Public procurement in Tanzania? (Mention at least four)

Source: Research findings, 2013

Table 4.12 and figure 4.9 show that respondents were requested to at least give four obstacles to fair transparency in public procurement in Tanzania. A total of 191 answers were given and 32% of the total responses said lack of good governance towards fair and transparent public procurement in Tanzania is an obstacle, while 24% said corruption is the obstacle, 23% said politicians are also businessmen and lastly 41% said that undue
influence is an obstacle. From these findings it has been noted that all obstacles stem from lack of good governance in public sector procurement. During interviews with some respondents it was revealed that absence of realistic good governance gave rise for other manageable obstacles e.g. bribes, interference and unfairness.

Kihiyo (2003), corruption being another obstacle for the economic development of the poor countries, the donor community including the Breton Woods Financial Institutions came up with the idea of Good Governance (GG). Under GG agenda there is Accountability, Transparency, and the Rule of Law, which as opposed to Corruption which is associated with the highest degree of Monopoly, Discretionally power, minus Accountability and Transparency. i.e. GG = A+T+RL and C = M+D-AT.

Mapunda (2005) says; “Unlike private sector procurement, public procurement is a business process within a political system. Just as a private entity operating in an open market can be judged by its customers as regards quality of products or services; governments of today are judged on the quality of governance provided to its citizens. The common term used in this regard is good governance, which in essence bags for transparency and integrity on public procurement transactions with value for tax payers’ money”.

The World Bank report (1992), titled “Good Governance and Development” defines Good governance as the manner in which power is exercised in the meeting of the country’s economic and social resources for development. The World Bank report (1994), entitled “Governance” set out elements of good Governance under four different aspects which are:

- Public-sector meeting which is predominantly technical, changing the organizational structure of a sector agency to reflect new objectives, making budgets work better, sharpening civil-service objectives and placing public-enterprise managers under performance contracts.
- Accountability in which Governments and their employees should be held responsible for their actions.
- Legal framework for developments. Appropriate legal systems should be created that provides stability and credibility, which are the essential elements in creating an economic environment in which business risks may be rationally assessed.
Transparency and information both pervade good governance and reinforce accountability. Access to information for various players in the market is essential to a competitive market economy.

Table 4.13: Distribution of respondents on whether there is any sense of accountability and responsibility in your ministry/institution/organization/municipal council”?

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Yes</td>
<td>34</td>
<td>50</td>
</tr>
<tr>
<td>b) No</td>
<td>33</td>
<td>48</td>
</tr>
<tr>
<td>c) I don’t know</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research findings, 2013

Figure 4.9: Is there any sense of accountability and responsibility in your Ministry/institution/organization/municipal council?

Source: Research findings, 2013

Table 4.13 and figure 4.10 indicate that 50% of the respondents agreed on the existence for a sense of accountability and responsibility at the MoF, while 48% disagreed on the existence of sense of accountability and responsibility in their Ministry, and 2% said that they didn’t know”. This implies that there is no accountability and responsibility and these
are among the elements or components of good governance and if these findings are linked with table 4.12 the conclusion drawn is that there is no realistic good governance at the MoF, thus it cannot have positive impact on public sector procurement in Tanzania.

4.6 Suggested measures to Improve the situation

Table 4.14: Distribution of respondents on how can good governance improve public Sector Procurement in Tanzania (At least three recommendations)

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>By ensuring fairness and transparency are in place</td>
<td>61</td>
<td>43</td>
</tr>
<tr>
<td>Setting severe penalty for corrupt people</td>
<td>42</td>
<td>30</td>
</tr>
<tr>
<td>Ensure only people with integrity participate in procurement proceedings</td>
<td>39</td>
<td>27</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>142</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research findings, 2013

Figure 4.10: How can good governance improve public Sector Procurement in Tanzania? (At least recommend three solutions)

Source: Research findings, 2013
Table 4.14 and figure 4.10 indicate that good governance can improve public sector procurement by ensuring fairness and transparency are in place, this recommendation was given 61 times, equivalent to 43% of all recommended solutions, thus this answer ranked first, the second recommended solution was that good governance can improve public sector procurement in Tanzania by setting severe penalty for corrupt people which was given 42 times equivalent to 30%, while ensuring only people with integrity participate in procurement proceedings was recommended 39 times equivalent to 27% of all recommended solutions and this ranked third. If you go through the recommended three solutions all seem to regulate and moderate human behavior in order to improve public sector procurement, this being amongst the dimensions of good governance.

Also James (1994), conducted a study on the influence of good governance in the recruitment of employees in Nigeria government revenue collection department and found out that the whole exercise of recruitment lacked good governance. The findings further indicated that there was no transparency during recruitment as only people from the higher class and sons/daughters of political leaders were offered jobs. It was revealed from the study that high pay and fringe benefits plus opportunities for corruptions underpinned lack of good governance in corruption. Some of these findings are the same to those revealed by Kanjiro (2004), on employment and employability in Tanzania public organizations which indicated that all public institutions with high pay and fringe benefits such as the Bank of Tanzania (BOT) and Tanzania Revenue Authority (TRA) were dominated by employees from higher class.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
The purpose of this study was to identify the impact of good governance on public sector procurement in Tanzania and the Ministry of Finance, Dar es Salaam was taken as the case for this study. This part of the report gives conclusion and recommendations, for the entire research study.

5.2 General Summary
The present study was a case study that analyzed the impact of good governance on public sector procurement in Tanzania and used the Ministry of Finance as the case for the study. The study was guided by four specific objectives. The study expected to contribute to the existing body of knowledge on the impact of good governance on public sector procurement in Tanzania, also be submitted as a partial fulfillment of the requirements for the award of A Master of Science in Procurement and Supply Chain Management degree of Mzumbe University.

5.3 Summary of Findings
5.3.1 To identify the effects of governance on public sector procurement in Tanzania
The findings revealed that 86% said that good governance has a contribution towards public sector procurement in Tanzania, while 4% of respondents said good governance has no any contribution towards public sector procurement in Tanzania. Ten percent of the respondents said that they did not know if there is any contribution which is made by good governance to public sector procurement in Tanzania or not.

But also those who responded through interviews if the concept of good governance is fully practiced and administered from every angle of the public sector it has a positive contribution towards public procurement, which also is supported by Mkisi (2005), when he says “Unlike private sector procurement, public procurement is a business process within a political system. Just as a private entity operating in an open market can be judged by its customers as regards quality of products or services; governments of today are judged on the quality of governance provided to its citizens. The common term used in
In addition the above arguments are supported by the UNDP (1997), which defines good governance as the processes and structures that guide political and social-economic relationship. Governance has three dimensions; economic, political and administrative. Economic governance includes the decision making processes that affect a country’s economic activities and its relationships with other economies. Political governance is the process of decision making to formulate policy. Administrative governance is the system of policy implementation.

5.3.1 To identify the relationship between good governance and public sector procurement in Tanzania

The findings revealed that 93% of respondents agreed that the relationship is there while 3% said no and 4% said they did not know if there is any relationship between public procurement and good governance. Moreover, those who responded to interviews apart from agreeing that there was a relationship, they went further by explaining that good governance is about ensuring everything which is done or conducted within the autonomous control or powers to be governed by the rules and regulations concerned.

These responses were also witnessed by James (1994), conducted a study on the influence of good governance in the recruitment of employees in Nigeria government revenue collection department and found out that the whole exercise of recruitment lacked good governance. Some of these findings are the same to those revealed by Kanjiro (2004), on employment and employability in Tanzania public organizations which indicated that all public institutions with high pay and fringe benefits such as the Bank of Tanzania (BOT) and Tanzania Revenue Authority (TRA) were dominated by employees from higher class.

Also Hon. Hawa Ghasia (MP) in her speech on the Role of the Public Service Reform Programme towards Development Vision 2025 Intervention, Tanzania has made efforts in putting in place Institutional Mechanism for good governance through the reform Programs. Indeed some achievements have made and many governments and Institutions outside Tanzania acknowledge this fact. These include the following; Decentralization by
devolution to local Government Authorities, the Strengthening of the corruption prevention organ, Prevention and Combating of Corruption Bureau (PCCB), Improving record management and use of ICT, enhanced leadership capacity including the establishment of Leadership Institute, National Audit Office Strengthened, Ethics Secretariat created and Strengthened. The Ethics Promotion Division created within the President’s Office, Public Service Management, The Human Right established, the Public Service Commission as an oversight body, Recruitment Secretariat recently created, creation and strengthening of Public Procurement regulatory agency. Increased influence of Civil Society and pressure groups, Investigative journalism encouraged, strengthening of Tanzania Revenue Authority. Introducing business processes re-engineering to strengthen internal organizational system and undertaking surveys to monitor anti-corruption drive successes/failures.

Indeed, the findings in chapter four of this report justify the existence of relationship between good governance and public sector procurement in Tanzania.

5.3.3 To know if good governance encompasses ethical issues to be adhered to by Players in public sector procurement proceedings in Tanzania

A total of 191 answers were given and 32% of the total responses said lack of good governance towards fair and transparent public procurement in Tanzania is an obstacle while 24% said corruption is the obstacle, 23% said politicians are also businessmen and lastly 41% said that undue influence is an obstacle. From these findings it has been noted that all obstacles stem from lack of good governance in public sector procurement. During interviews with some respondents it was revealed that absence of realistic good governance gave rise for other manageable obstacles e.g. bribes, interference and unfair treatment.

Kihiyo (2003), corruption being another obstacle for the economic development of the poor countries, the donor community including the Breton Woods Financial Institutions came up with the idea of Good Governance (GG). Under GG agenda there is Accountability, Transparency, and the Rule of Law, which opposed to Corruption which is associated with the highest degree of Monopoly, Discretionally power, minus Accountability and Transparency. i.e. GG = A+T+RL and C = M+D-AT.
Mkisi (2005), unlike private sector procurement, public procurement is a business process within a political system. Just as a private entity operating in an open market can be judged by its customers as regards quality of products or services; governments of today are judged on the quality of governance provided to its citizens. The common term used in this regard is good governance, which in essence bags for transparency and integrity on public procurement transactions with value for tax payers’ money”.

The World Bank report (1992), titled “Good Governance and Development” defines Good governance as the manner in which power is exercised in the meeting of the country’s economic and social resources for development. The World Bank report (1994) entitled “Governance” set out elements of good Governance under four different aspects which are:-

- Public-sector meeting which is predominantly technical, changing the organizational structure of a sector agency to reflect new objectives, making budgets work better, sharpening civil-service objectives and placing public-enterprise managers under performance contracts.

- Accountability in which Governments and their employees should be held responsible for their actions.

- Legal framework for developments. Appropriate legal systems should be created that provides stability and credibility, which are the essential elements in creating an economic environment in which business risks may be rationally assessed.

- Transparency and information both pervade good governance and reinforce accountability. Access to information for various players in the market is essential to a competitive market economy.

After the analysis of the responses under this specific objective in chapter four the researcher concludes that good governance encompasses issues like rule of law, transparency, fairness, accountability and ethics relating the profession concerned.
5.3.4 To suggest measures that are needed to improve the situation

The findings revealed that good governance can improve public sector procurement by ensuring fairness and transparency are in place, this recommendation was given 61 times, equivalent to 43% of all recommended solutions thus this answer ranked first, the second recommended solution was that good governance can improve public sector procurement in Tanzania by setting severe penalty for corrupt people which was given approximately 42 times equivalent to 30% while ensuring only people with integrity participate in procurement proceedings was recommended 39 times equivalent to 27% of all recommended solutions and this ranked third. If you go through the recommended three solutions all seem to regulate and moderate human behavior in order to improve public sector procurement, this being amongst the dimensions of good governance.

This also is witnessed by a study done by Fagolos (2006), which revealed that procurement costs in local districts were not relevant to the quantity, size and quality of items or jobs done. Also James (1994), conducted a study on the influence of good governance in the recruitment of employees in Nigeria government revenue collection department and found out that the whole exercise of recruitment lacked good governance. Kanjiro (2004), on employment and employability in Tanzania public organizations which indicated that all public institutions with high pay and fringe benefits such as the Bank of Tanzania (BOT) and Tanzania Revenue Authority (TRA) were dominated by employees from higher class.

5.4 Conclusion

Having summarized the research findings, it is evident that to a great extent good governance has a positive impact if is treaded realistically. But at the MoF this seems to be a song which is sung with no dancers. This is because issues like; lack of transparency, presence of corruption in different procurement activities, the act of politicians and leaders to be also businessmen bring about biasness and unneeded interferences hence causing unfair treatment of bidders and unaccountability.

Nevertheless, good governance if practiced realistically their components could be in place and everything could have gone in a smooth line free from corruption, cost exaggeration, unaccountability, absence of the rule of law, transparency and fairness. Also
lack of realistic good governance contributes towards retardation of socio economic development of the tax payers’ money.

In addition the study findings signify the message that the MoF lacks a purely implementation of good governance and as a result there is no accountability, transparency and fairness thus procurement cannot go smoothly as expected.

As noted from the study that good governance has a impact on public sector procurement in Tanzania though it is not practiced realistically at the extent that every public official can refrain himself/herself from doing evil things towards his/her organization or institution.

Furthermore, findings indicated that at the MoF still there were symptoms of corruption, interferences and politicians/leaders conduct businesses with their institution or other institutions in a retrospective ways.

5.5. Recommendations

Basing on the research findings, it is recommended that good governance always stem from the top government officials and therefore firm good governance can only be put in place if these top officials will be very realistic on whatever, whichever and whenever there are in the implementation of everything which pertain to the public.

The researcher therefore, recommends that education to the general public on laws, rights and justice to be conducted, this practice will improve the public morale on inquisition and watching out for their rights and justice from the public and private institutions which in turn will enhance the level of responsibility and accountability of all players in the public activities including procurement. Consequently this will pave the way to fairness and transparency hence achievement of pure competition which later will mature into ethical public PEs, Suppliers, Consultants, Contractors, Users and non-Consultancy service Providers. These ethical players in public sector procurement again will pull up the lost trust from the general public and other world societies.

In addition, the MoF should ensure maximum exercising of good governance in order to achieve the core purpose of good governance which overrules/influences all functions in both; public and private sectors including procurement.
5.6 Area for Further study

The researcher suggests to those who will intend to conduct researches in good governance to try to link it with either; corruption, rule of law or weaknesses which contribute to the unrealistic good governance in Tanzania or to verify this report findings using other cases in Tanzania or abroad
REFERENCES

Abiodun Elijah Obayelu, (2007); Effect of Corruption and Economic Reform on Economic growth and Development: Lessons from Nigeria, Department of Agricultural Economics, University of Ibadan, Nigeria.


Editorial Comments (2006); Tanzania Procurement Times of January 16th – 22nd. Dar es Salaam.

Ha – Joon Chang, Kicking Away the Ladder (2002); Policies and Institution for Economic Development in Historical Perpectivive, Anthem Press, Japan.


Mding’I J. F.(2005); A Assessment how a Good Public Procurement System can Contribute towards Good Governance. CPSP-Research Report, Dar es Salaam, Tanzania.

Mkisi E. J. (2005); Procurement and Logistics Function as a Tributary of an Organisation’s Budgetary Stream. Procurement Nes, Kampala, Uganda.


OECD (2006); Methodology for Assessment of National Procurement System
Version 4, 17th July 2006. Dar es salaam

Public Procurement Act (2004); Government Printer, Dar es Salaam Tanzania.


WORD BANK, (1992); “Good Governance and Development”, World Bank, Washington, DC.

WORD BANK, (1994); “Governance”, World Bank, Washington, DC.


Tanzania Open Government Partnership; Action plan 2012-2013.

Dear Respondent,

You are kindly requested to answer the set of questions below giving relevant details. They are purely meant for academic purposes. Your contribution toward smooth realization of the intended purpose is highly appreciated and inconveniences that may arise are highly regretted too.

The study is conducted at the MoF Headquarters Dar es Salaam, the topic under study being “Impact of Good Governance in Public Sector Procurement Functions in Tanzania”. Your identity as a respondent will remain anonymous and you are highly appreciated in advance for any information you will give.

I also abide to confidentially and accuracy of information before and after being in my hands.

Thank you for your cooperation.

Please return the filled questionnaire to:

Adolph E. Bugara
P.O. Box 15240
Dar es Salaam.

Mob: +255 22 713 472 301
Email: bugaradolph@yahoo.com

Questionnaires
1. General Information of the Respondent:
   a) Sex: Male ( ) Female ( )
   b) Age: 18-25 ( )
   c) Age: 26-35 ( )
   d) Age: 36 and above ( )

2. Level of education:
   a) Certificate/or Diploma ( )
   b) Bachelor Degree ( )
   c) Postgraduate Degree ( )
3. Does good governance overrules public sector procurement?
   a) Yes (   )
   b) No (   )
   c) I don’t know (   )

4. Is there any relationship between Public Sector Procurement and good governance?
   a) Yes (   )
   b) No (   )
   c) I don’t know (   )

5. Please tick the status of fairness on procurement proceedings in your institution /local government/institution/organization.
   a) Not good at all (   )
   b) Good (   )
   c) Very good (   )
   d) Non-of the above (   )

6. Please tick the status of procurement proceedings transparency in your ministry:-
   (Place 1 for the most and 2 for the following and so on).
   a) Not good at all (   )
   b) Good (   )
   c) Very Good (   )
   d) Non of the above (   )

7. What have you noticed in your ministry/institution/organization?
   a) Users complaints on quality (   )
   b) Symptoms of corruption in procurement proceedings (   )
   c) Misunderstandings within PMU staff (   )
   d) Collusion among actors in procurement proceedings
8. Is there any contribution which is made by good governance to public sector procurement in Tanzania?
   a) Yes (  )
   b) No (  )
   c) I don’t know (  )

9. What is the extent of good governance in your organization/ ministry/municipal?
   a) Good (  )
   b) Very Good (  )
   c) Weak (  )
   d) Very weak (  )
   e) I don’t know (  )

10. How can good governance improve public Sector Procurement in Tanzania?
    (Recommend at least three solutions briefly).
    (a) ________________________________
    (b) ________________________________
    (c) ________________________________

11. What do you think is the most destructive factor for the positive and ethical public procurement proceedings in public sector?
    a) Corruption (  )
    b) Un due influence (  )
    c) Lack of good governance (  )
    d) Employees, unsatisfactory salaries (  )
    e) Poverty (  )
    f) Politicians are also traders (  )
    g) Technical/expertise in procurement proceedings (  )
    h) I don’t know (  )
12. What do you think are the obstacles to fair and transparent public procurement in Tanzania? At least mention three (3).
   a) _____________________________________________________________
   b) _____________________________________________________________
   c) _____________________________________________________________

13. Is there any sense of accountability and responsibility in your ministry/institution/organization/municipal council?
   a) Yes (   )
   b) No (   )
   c) I don’t know (   )

14. Can lack of good governance in procurement sector be linked to unethical PMUs, Suppliers, Contractors, consultants, non consultants, service providers and users?
   a) Yes (   )
   b) No (   )
   c) I don’t know (   )

15. Is there any relationship between good governance and social and socio-economic activities?
   a) Yes (   )
   b) No (   )
   c) I don’t know (   )
APPENDIX 2

OBSERVATION SCHEME FOR PMU AND OTHER DEPARTMENTS OF MoF

Introduction
This instrument was used through a careful looking at different aspects/events and the researcher made physical observation.
The researcher observed only two departments namely PMU and Personnel and Administration.
Put a tick (✓) in column (Y) if an aspect is observed, and in column (N) if not observed.

<table>
<thead>
<tr>
<th>SN</th>
<th>Observation Aspect</th>
<th>Y</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The presence of transparency in tendering process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Tender Board existence and performing their duties accordingly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Existence of PMU with autonomy in its dealings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Adherence of tendering procedures in tendering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Sufficient qualification and experience for member of PMU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Any un ethical issue noted in the department</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thank you for your cooperation.