THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE PLANNING AND INVESTMENT
NATIONAL PLANNING COMMISSION

NATIONAL DEVELOPMENT PROJECTS APPROVAL GUIDELINE

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JUNE 2026

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PRESIDENT'S OFFICE PLANNING AND INVESTMENT
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* Acronyms

BCR	Benefit-Cost Ratio
BFs	Basket Funds
BLT	Build-Lease-Transfer
BOT	Build-Operate- and Transfer
BS	Budget Support
BTO	Build-Transfer-Operate
CA	Contracting Authority
CAG	Controller and Auditor General
CBA	Cost-Benefit Analysis
CDC	Commonwealth Development Corporation
CSOs	Civil Society Organisations
DPs	Development Partners
DSA	Debt Sustainability Analysis
DSCR	Debt Service Coverage Ratio
EIA	Environmental Impact Assessment
ESIA	Environmental and Social Impact Assessment
ESRF	Economic and Social Research Foundation
FOB	Free On Board
FS	Feasibility Study
FYDP	Five-Year Development Plan
GAMD	Government Assets Management Division
GAMIS	Government Assets Management Information System
GBS	General Budget Support
GOPP	Goal-Oriented Project Planning
GoT	Government of Tanzania
IDA	International Development Association
IFMS	Integrated Financial Management System
IFRC	International Federation of the Red Cross
IM&M	Implementation, Management, and Monitoring
IMTC	Inter-Ministerial Technical Committee

IPFA	International Project Finance Association
IRR	Internal Rate of Return
kV	Kilovolt
LFA	Logical Framework Approach
LGAs	Local Government Authorities
M&E	Monitoring and Evaluation
M&M	Management and Monitoring
MDAs	Ministries, Departments, and Agencies
MEMART	Memorandum and Articles of Association
MfDR	Management for Development Results
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MSPBR	Medium Term Strategic Planning, Budgeting and Reporting Manual
MTEF	Medium Term Expenditure Framework
MW	Mega Watts
NAOT	National Audit Office of Tanzania
NESC	National Economic and Social Council
NKRA	National Key Result Areas
NPC	National Planning Commission
NPV	Net Present Value
NSAs	Non-State Actors
O&M	Operation and Maintenance
O&OD	Opportunities and Obstacles to Development
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OVI	Objectively Verifiable Indicators
OTR	Office of the Treasury Registrar
PAS	Project Assessment Sheet
PBG	Plan and Budget Guidelines
PCR	Project Completion Report
PD	Project Document
PFS	Pre-Feasibility Study
PM	Project Management
PIMA	Public Investment Management Assessment
NDPAG	National Development Projects Approval Guideline
PP	Project Plan

PMO	Prime Minister's Office
PMT	Project Management Team
PO-PSMGG	President's Office, Public Service Management and Good Governance
PMO-RALG	Prime Minister's Office, Regional Administration and Local Government
PPA	Power Purchase Agreement
PPP	Public-Private Partnership
PSC	Public and statutory Corporations
RBM	Results-Based Management
RSs	Regional Secretariats
SEA	Strategic Environmental Assessment
SIPs	Sectoral Investment Plans
SPV	Special Purpose Vehicle
TDV	Tanzania Development Vision
TIC	Tanzania Investment Centre
URT	United Republic of Tanzania
WACC	Weighted Average Cost of Capital

* Definition of Key Terms

Absolute Assessment	This assessment is conducted by studying each project as an absolute case, without comparing it with other projects. The results of this absolute evaluation are rated and interpreted based on the project's potential.
Baseline Study	A survey that provides quantitative information on the current status of a particular situation. The purpose is to provide an information base against which progress and effectiveness can be monitored and assessed during implementation and after the project's completion.
Climate Change	The long-term shifts in temperatures and weather patterns are mainly caused by human activities, especially burning fossil fuels like coal, oil, and gas. These activities release greenhouse gases (such as carbon dioxide, methane, and nitrous oxide) into the atmosphere, resulting in impacts such as increased temperatures, extreme weather, rising water (sea and lake) levels, ocean changes, and ecosystem disruption.
Climate Change Adaptation	The process of adjusting to the current and expected effects of climate change, involving preparation for impacts already occurring or likely to occur.
Climate Change Mitigation	Actions or activities that reduce or limit greenhouse gas emissions into the atmosphere.
Climate Resilient	Withstanding or adjusting to the effects of climate change, including the ability to recover from disasters and disruptions, such as extreme weather events or socio-economic challenges.

Climate Smart	Climate-smart refers to an approach that integrates climate change considerations into development and investment decisions to enhance resilience to climate change risks, reduce greenhouse gas emissions where possible, and support sustainable, long-term productivity.
Comparative Assessment	A method used to evaluate and compare different options, strategies, or systems based on specific criteria. The objective is to recommend the optimal choice of projects or the most effective allocation of project budgets.
Cost-Benefit Analysis (CBA)	A methodology for appraising the financial and economic value of investing in a project, indicating whether it will result in a net positive impact on society in both monetary and economic terms.
e-Delivery	National Development Plans and Projects Management Information System. A system serving as a digital platform for all project information and data. It facilitates the project process, encompassing initiation, assessment, approval, budgeting, reporting, monitoring and evaluation, termination, and closure.
Environmental and Social Impact Assessment	A systematic examination to determine the actual and potential impacts of a project or activity on the environment and society (both adverse and positive).
Ex-ante Evaluation	An evaluation undertaken prior to the actual implementation of a project. Its purpose is to determine the project's relevance, preparedness, and likelihood of success.
Ex-post Evaluation	An assessment conducted several years after a project's completion, examining the effectiveness and sustainability of its outcomes.
Externality	A cost or benefit of economic activity experienced by an unrelated or uninvolved party, arising from another party's activity.
Flagship Programs	Selected major, high-priority initiatives within the Five-Year Development Plan, recognised for their potential to drive national development, economic transformation, and social progress. They can stimulate economic growth, create employment opportunities, and enhance the country's competitiveness at regional and global levels.
Guideline	National Development Projects Approval Guideline

Impact	Long-term, significant changes, whether positive or negative, that a project can cause. These impacts extend beyond immediate outputs and outcomes, influencing broader systems, communities, environments, or economies.
Logical Framework Analysis (LFA)	A structured planning and management tool used to design, implement, monitor, and evaluate projects. It helps ensure that a project's goals, activities, and outcomes are logically connected, clearly defined, and measurable.
Preliminary Screening	A prior assessment of a project idea, involving various qualifying criteria to determine its potential interest and value to the country.
Public and Statutory Corporation	A government-owned entity established to provide goods or services to the public, typically in sectors where private participation is limited due to public interest or strategic importance.
Program	A comprehensive scheme within a sector, comprising projects and setting targets for a specified period, typically medium- or long-term.
Project	A temporary endeavour undertaken to create a unique product, service, or result. It has a defined beginning and end, specific resources, and a clear scope. Projects operate within limited budgets and timelines, requiring efficient planning and execution.
Project Appraisal	A systematic assessment of a project's viability to meet its objective, achieved by examining its financial, economic, environmental, social, technical, and other aspects.
Project Completion	This is the final stage of project implementation. At this stage, assets acquired are handed over to the institution responsible for operation and maintenance.
Project Evaluation	The systematic and objective assessment of an ongoing or completed project. It involves collecting and analysing information to understand the project's progress, success, and effectiveness.
Project Framework	A set of standard PM processes and tools used for initiating, planning, executing, controlling, and closing a project.

Project Monitoring	The ongoing process of collecting, analysing, and using information to track a project's progress towards its objectives. It helps ensure the project stays on course, achieves timely results, and uses resources efficiently.
Project Planning	Project Planning is the step where a project is identified, formulated, and designed. It also involves conducting necessary environmental and social assessments. This stage encompasses project appraisal, defined as an overall assessment of the relevance, feasibility, and potential sustainability of a series of interventions before a decision to undertake or fund such interventions.
Public Finance	Public finance is the management of the Government's income, expenditures, and debt, and how these financial activities affect the economy. It focuses on the government's role in the economy and involves evaluating policies related to taxation, spending, budgeting, and public debt. Public finance is a key tool for governments to invest in development priorities such as health, education, transportation, and climate change response.
Project Investment (PI)	Project Investment refers to government or public sector expenditure directed towards specific programme initiatives (programmes, projects, and public assets) that are intended to promote economic growth and deliver long-term social and developmental benefits. In line with the Budget Guidelines, Project Investment encompasses spending on both infrastructure and non-infrastructure initiatives, including the acquisition, development, rehabilitation, and enhancement of tangible assets (such as roads, power plants, schools, and hospitals) and intangible assets (such as research and innovation, digital and technology systems, intellectual property, and institutional capacity-building systems). Such investments are characterised by their capital nature and their contribution to sustained service delivery and national development outcomes.

Statutory Corporation (SC)	Any corporate body (including a public corporation and a corporation sole) established by or under any written law but excluding any company incorporated under the Companies Act CAP 257, even if its entire share capital is owned by one or more statutory corporations.
Public-Private Partnership (PPP)	A contractual arrangement between a government (public) and a private company to deliver a project or service typically provided by the public sector. PPPs are often used for infrastructure, public services, and development initiatives.
Result-Based Management (RBM)	A tool for monitoring and managing the implementation of projects, with a core focus on achieving results by ensuring that their processes, products, and services contribute to clearly stated goals.
Risk Analysis	A process of identifying, examining, and assessing potential factors that could negatively impact projects. Risk analysis seeks to identify, measure, and mitigate hazards facing an investment or project.

* Preface

The National Planning Commission (NPC) has a vital role in overseeing the planning and implementation of national development projects. As part of its duties, the Commission manages the project cycle to ensure its successful completion, thereby supporting the country's development goals. Project management is a key process through which governments develop and execute investment decisions that stimulate economic growth, promote social progress, and ensure sustainability.

To maximise the value of projects, each project must use funds efficiently and be the best solution for meeting specific policy objectives. Investment decisions should align with national priorities, be mindful of resource constraints, and consider various options and potential risks, including the impact of increasing climate change-related disasters and other unforeseen events. The Guideline embraces global and regional environmental treaties to which Tanzania is a party, as part of its commitment to fostering sustainable development.

The Guideline aligns with the National Climate Change Strategy to promote climate-smart investment principles. In Tanzania, these guidelines are closely integrated with the National Climate Change Response Strategy (NCCRS) and the country's commitments under the Paris Agreement, fostering a structured approach to climate action. Their implementation supports effective project planning, monitoring, and evaluation, ensuring that climate initiatives are executed efficiently.

The Guideline has been updated to reflect recent changes in public institutions and legal frameworks and to address new development challenges. The revised guidelines now incorporate climate-smart investment principles to strengthen resilience and sustainability. They also seek to encourage greater private sector participation in planning and executing projects, acknowledging the sector's ability to mobilise diverse resources, enhance efficiency, and support broader national development goals.

As we move toward greater private sector participation in project implementation, the Guideline emphasises the importance of transparency, value for money, and strong fiscal risk management across all related activities. Resource mobilisation and implementation arrangements involving the private sector must adhere to clear disclosure standards, competitive procurement processes, and rigorous financial oversight. Projects conducted under PPP models must fully comply with the PPP Act and Regulations. The goal is to ensure that public-private partnerships and other collaborative models deliver tangible development results without exposing the public sector to excessive fiscal risks or undermining accountability.

To strengthen the integrity and effectiveness of project appraisal, NPC is committed to applying principles and measurable performance benchmarks throughout all stages of the investment process. These principles include, but are not limited to: Value for Money (VfM), which ensures the optimal use of resources to achieve desired results; Cost-Benefit Ratio (CBR), which measures the economic efficiency of projects by comparing expected benefits to costs; Social Returns, which assess the broader societal impacts of investments with a focus on promoting equity, inclusion, and long-term welfare improvements. The assessment must explicitly incorporate the needs and participation of youth, women, and persons with disabilities, ensuring investments help reduce inequalities and create opportunities for all groups. Additionally, Environmental Sustainability requires evaluating climate resilience and ecological impacts, while strategic alignment ensures consistency with Tanzania's long-term development goals.

By enhancing project selection, prioritisation, financing, and integration into annual development plans and budgets, the Guideline will guarantee that projects are guided by national development goals and adhere to core project management standards throughout the project lifecycle. The guidelines serve as a governing document, ensuring that projects achieve desired outcomes within allocated resources and timelines, and that public finance expenditures align with the plans developed.

All implementing entities, such as Ministries, Departments, Agencies, Regional Secretariats, State-Owned Enterprises, and Local Government Authorities, are required to adhere to these guidelines to realise their benefits and contribute to Tanzania's development objectives. Furthermore, NPC will proactively engage the private sector and other non-state stakeholders to ensure the inclusive and effective implementation of the Guidelines.

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* Executive Summary

The Guideline traces its origins to 2015, when it was first issued as the Project Management Operational Manual (PIM-OM). This framework has served as the foundational reference for public sector investment decision-making, offering comprehensive guidance across the entire lifecycle of projects from identification to closure, ensuring value for money, sustainability, and alignment with national development priorities. The manual was initially reviewed in 2022 and reissued under the oversight of the Ministry of Finance and Planning (MoFP), which at the time was responsible for coordinating national development initiatives. Following institutional reforms under the Planning Commission Act, 2023, the NPC is mandated as the central authority for coordinating national development. In this role, it assumes full responsibility for providing strategic direction, oversight, and continuous enhancement of the project management framework, including ensuring the effective implementation of the National Development Projects Approval Guideline (NDPAG).

The Guideline, Revised Edition 2026, provides an updated and comprehensive framework for strengthening the planning, appraisal, prioritisation, financing, implementation, monitoring, evaluation, and sustainability of projects in Tanzania. The revision responds to emerging development challenges, including fiscal constraints, climate change impacts, governance reforms, the growing importance of private sector participation, and the expansion of project initiatives. The Guidelines operationalise the NPC's mandate to ensure that all projects are strategically aligned with national development aspirations, economically and socially justified, demonstrate value for money and are implemented efficiently within available fiscal space. Therefore, they serve as a critical instrument for translating national plans, such as Dira 2050, the Long-Term Perspective Plan, and the Five-Year Development Plans (FYDPs), into well-prepared and well-executed projects.

The updated Guidelines are anchored on major legal and regulatory frameworks governing development planning and public finance, notably the NPC Act [CAP. 127 R.E. 2023], the Budget Act, [CAP. 439 R.E. 2023], the Public-Private Partnership Act [CAP. 103. R.E. 2023], the Public Procurement Act [CAP. 410 R.E. 2023] and the Government Loans, Guarantee and Grants Act [CAP. 134 R.E. 2023]. These laws empower NPC to lead national planning, appraise investments, set expenditure ceilings, and ensure the credibility of the development budget. The Guidelines clearly articulate the roles of key institutions, including ministries, departments, agencies, Regional Secretariats, Local Government Authorities, State-Owned Enterprises, the Office of the Treasury Registrar, and the PPP Centre, to strengthen coordination, reduce duplication, and improve accountability. They further establish e-Delivery as the official digital platform for storing, analysing, and tracking project information throughout the project lifecycle, thereby enhancing transparency and decision-making.

The Guideline organises the project process into five mandatory and interlinked stages: identification and preparation; appraisal; prioritisation and financing; implementation, monitoring, and reporting; and evaluation and sustainability. In the identification and preparation stage, proposed projects originate from national development priorities, sector strategies and Transformation Plans, community needs, research evidence, performance audits, or unsolicited proposals from private entities. Proposing entities are required to prepare concept notes for non-infrastructure projects and Pre-Feasibility Studies for infrastructure projects, integrating climate screening, stakeholder analysis, preliminary financial and economic justification, and identification of the financing mode. All projects (Type I, Type II, and Type III) are appraised and approved by the NPC.

Once a project passes initial screening, it proceeds to the appraisal stage, where a rigorous technical, financial, economic, environmental, social, and climate risk evaluation must be conducted. Appraisal principles emphasise front-end loading, ensuring that design, costing, feasibility, and risk analysis are completed early to prevent costly adjustments later. The appraisal also requires comparison of alternative interventions, including “do-nothing” scenarios, controlling for optimism bias, and applying appropriate time horizons by sector. Only investments that demonstrate strong justification, feasibility, and value for money advance to budget review. The NPC’s Technical and Executive Teams coordinate the appraisal and approval process for the project.

Prioritisation and financing are central functions of the NPC, ensuring that only well-prepared and strategically aligned projects enter the Annual Development Plan (ADP) and the national budget. Prioritisation is based on readiness, alignment with national priorities, impact potential, and resource availability. The Guidelines introduce a mandatory PM Calendar that specifies submission, appraisal, review, and final approval windows. Compliance with this calendar determines whether a project can be included in the forthcoming budget year. Financing options extend beyond traditional government funding to include PPPs, capital market instruments such as bonds and equity, and blended climate finance. These mechanisms aim to reduce the government's fiscal burden, accelerate infrastructure delivery, and promote innovation.

The implementation, monitoring, and reporting stage requires strict adherence to approved procurement plans, timelines, budget allocations, and technical specifications. Implementing agencies must prepare regular progress reports - submitted weekly, monthly, quarterly, and annually - using standardised templates provided in the Annexes. Monitoring focuses on physical and financial performance, identification of emerging risks, and the need for adjustments to ensure project delivery remains aligned with objectives. Throughout implementation, e-Delivery functions as the central system for tracking project performance and ensuring data integrity.

Evaluation and sustainability form the final stage of the project cycle. Ex-post evaluations assess effectiveness, efficiency, outcomes, and long-term impacts. Projects must be registered as government assets under the Government Asset Management Division (GAMD) to ensure long-term maintenance, budgeting, and accountability. Sustainability considerations also include institutional readiness, operational planning, environmental and social safeguards, and resilience to climate shocks, all of which must form an essential part of the project's planning and preparation. Lessons learned from evaluations are fed back into planning processes to improve future project design, implementation, and policy reforms.

A key enhancement in this Guideline is the integration of climate-smart investment principles across all project stages. This requires agencies to apply climate change risk screening tools, incorporate mitigation and adaptation measures, align project design with the National Climate Change Response Strategy and Nationally Determined Contributions (NDCs), and use climate indicators during monitoring. This ensures that projects contribute to national resilience, reduce vulnerability, and limit future fiscal exposure to climate-related shocks. The Guideline also substantially strengthens the framework for private sector participation. This is achieved by formalising PPP suitability tests, requiring full prior assessment of contingent liabilities before commitment and their subsequent disclosure, supporting investor outreach, and promoting the use of capital market instruments. These reforms create an investment environment that leverages private sector expertise and financing while safeguarding public interests.

Governance and oversight mechanisms have also been enhanced through the establishment of structured Teams at NPC and line ministry levels. NPC Teams provide final approval and prioritisation of Type I, II and III projects for inclusion in the development budget. These Teams ensure transparent, evidence-based decision-making and improve coordination across government.

The Guidelines are supported by extensive templates and Annexes covering Concept Notes, Pre-Feasibility Studies, Detailed Feasibility Studies, Risk Registers, Implementation Plans, Action Plans, M&E formats, cash flow models, and reporting tools. These provide a uniform structure, enhance comparability, and ensure consistency in the preparation and management of investments across MDAs, RSs, LGAs, and State-Owned Enterprises. Ultimately, the Guideline serves as a modern governance instrument that enhances the efficiency of public spending, improves development outcomes, and ensures that every project contributes meaningfully to Tanzania's long-term aspirations under the Dira 2050

CHAPTER ONE

Introduction

1. BACKGROUND

Through the NPC, Tanzania continues to strengthen its institutional frameworks and planning mechanisms to ensure projects effectively support sustainable development and inclusive growth in line with the country's national development vision (Dira 2050). Given limited fiscal resources, the efficiency of government spending is crucial for the government to deliver high economic and social returns while properly managing public debt and borrowing risks. The Guideline is vital for ensuring streamlined procedures are followed for project initiation, financing, implementation, and evaluation. This addresses ongoing inefficiencies, including i) misalignment with national development plans ii) delays and cost overruns iii) underperformance or inadequate output iv) low return on investment and v) the deployment of government resources on investments more suitable for private sector participation.

1.1. KEY REVISIONS TO THE GUIDELINE

The revision of the existing Project Management Operational Manual framework was necessitated by several key factors. These included the need to align it with the re-established NPC, enhance flexibility and adaptability to evolving policy and fiscal contexts, integrate emerging development priorities, strengthen operational clarity and governance arrangements, and ensure full alignment with results-based management approaches and digital systems. Notwithstanding these broad considerations, the revision was primarily driven by a set of core strategic issues that informed the scope and depth of the enhanced guideline, including the following:

CLIMATE SMART PM

As climate change continues to pose a significant global threat to economic and social development, Tanzania is not exempt from its impacts. To maintain climate integrity and to align with recommendations from the IMF's Project Management Assessment (PIMA, 2022), this Guideline requires projects to adopt climate-smart principles that anticipate and address climate change-related risks. The Guideline integrates climate response strategies throughout the project lifecycle to protect assets from the impacts of extreme weather, reduce fiscal risks, and align public spending with international sustainability standards.

Climate considerations shall be systematically integrated across three stages of the project cycle:

i. **Identification:** All projects shall undergo climate change risk screening using tools tailored to Tanzania's vulnerability profile. These tools include World Bank instruments and national data from the Vice President's Office and the Tanzania Meteorological Authority. Priority sectors such as Water, Coastal, Forestry, Energy, Agriculture, Health, Tourism, and Infrastructure shall be assessed for exposure to rising temperatures, extreme rainfall, flooding, and landslides.

ii. **Appraisal:** Climate scenario analysis shall be undertaken using regional climate models, such as CORDEX-Africa, together with global frameworks adjusted to the national socio-economic context. This shall ensure that adaptation and mitigation strategies are tested for alignment with Tanzania's National Climate Change Response Strategy and Nationally Determined Contributions (NDCs). In doing so, project appraisal shall operationalise national climate response actions through the integration of adaptation and mitigation measures, while supporting the implementation of NDC commitments, enhancing the resilience of vulnerable sectors and communities, strengthening institutional coordination, and facilitating the mobilisation of climate finance.

iii. **Monitoring:** Climate indicators shall be applied through national and international frameworks, including minimization of greenhouse gases (GHS), waste management, temperature and rainfall trends, frequency of extreme events, and proxy measures. Robust monitoring, reporting, and verification systems will be used to track climate outcomes and impacts, such as agricultural yields and health outcomes. Results shall inform adaptive management and strengthen implementation of the National Climate Change Response Strategy.

PRIVATE SECTOR PARTICIPATION IN PROJECTS

Furthermore, recognising the value that the private sector brings through technical expertise, financial resource mobilisation, and fostering innovation, the Government of Tanzania considers it essential to involve the private sector in projects design and implementation. This integration aims to share investment risks, improve project outcomes, accelerate infrastructure development, and promote inclusive economic growth. The amendments to the guidelines reposition and strengthen private sector participation in implementing projects, guiding implementers to leverage the private sector and alternative financing mechanisms as primary options for mobilising resources to initiate and operate projects. These amendments provide a framework for encouraging private sector-led development in Tanzania and outline how the NPC will guide projects towards using alternative financing to reduce the government's fiscal burden.

To ensure that private sector involvement supports sustainability and accountability, the guideline provides a guide to ensure all proposed Public Private Partnership (PPP) arrangements pass a PPP suitability test during the pre-screening and appraisal process, in accordance with Section 12(1) of the PPP Act, Cap 103. This test must demonstrate viability, value for money, fiscal affordability, and appropriate project risk allocation and mitigation. Moreover, contracting authorities are required to disclose and manage fiscal risks and contingent liabilities associated with PPP projects, as specified in Section 10(2). In addition, disclosure of climate change responsiveness is required under Regulation 3A(h) of the PPP Regulations.

These provisions guarantee that all Public-Private Partnership projects and associated Public Investment projects (PIs), along with their fiscal risks, are transparently evaluated in line with the PPP legal and institutional framework and this Guideline, ensuring alignment with national development priorities.

1.2 PURPOSE OF THE GUIDELINE

The Guideline aims to oversee the entire project lifecycle, from identification to appraisal, implementation, and evaluation. This ensures consistent project preparation, strategic resource allocation, efficient execution, and alignment with national development plans.

In summary, the Guideline is intended to:

a. Provide clear guidelines for initiating, implementing, and evaluating projects in alignment with the government's social and economic development objectives.

b. Develop detailed procedures for incorporating projects into the national development budget.

c. Encourage project implementation by leveraging private sector resources and serve as a reference for enhancing private sector participation in project financing through PPP and other alternative project financing arrangements.

d. Integrate climate change adaptation and resilience considerations into all stages of the project cycle.

e. Ensure projects adhere to open and competitive procurement processes in line with the Public Procurement Act, [CAP. 410 R.E. 2023] and the Public Private Partnership Act [CAP. 103 R.E. 2023]

f. Promote transparent market sounding and regular publication of approved project pipelines to inform stakeholders, instil public confidence, and attract private sector participation

1.3 LEGAL AND REGULATORY FRAMEWORKS UNDERPINNING PROJECT MANAGEMENT PROCESSES

The Guideline is based on various legal and regulatory instruments that oversee project and financial management in Tanzania, including the NPC Act [CAP. 127. R.E. 2023], the Budget Act [CAP. 439 R.E. 2023], the Public Finance Act [CAP. 348. R. E. 2019], the Public Private Partnership Act [CAP. 103. R.E .2023], the Government Loans, Guarantee and Grants Act [CAP. 134 R.E. 2023], and the Public Procurement Act [CAP. 410 R.E. 2023]. Furthermore, the National Planning Act, among other things, mandates the NPC to serve as the highest advisory body on all matters relating to development planning and economic management. For this purpose, it is empowered to issue directives and guidelines necessary for the effective and efficient performance of its functions under the Act. The NPC also has the mandate to analyse development projects for inclusion in the development budget. In pursuance of its duty, NPC abides to integrative approach, by engaging key stakeholders such as the Office of Attorney General.

1.4 TARGETED USERS OF THE GUIDELINE

The Guideline is intended for Government offices responsible for public-sector investment decisions, MDAs, PSCs, Regional Secretariats (RSs), Local Government Authorities (LGAs), Development Partners, the private sector, and the general public.

1.5 SCOPE OF THE GUIDELINE

This Guideline applies to all projects initiated by public or private entities and carried out solely by public entities or in collaboration with the private sector. It covers the entire project cycle, from identification and planning through appraisal, prioritisation, financing, implementation, monitoring and evaluation, closure, and post-investment management. While other sectoral guidelines or manuals may also be considered, the provisions of this Guideline shall prevail in the event of any inconsistency or discrepancy between those frameworks and this Guideline.

1.5.1 Relationship with Other Appraisal Guidance

This Guideline is a key tool for ensuring that projects are properly evaluated, selected, and managed to achieve maximum value and alignment with national development goals. All other project management frameworks shall comply with this Guideline.

1.5.2 Monitoring and Evaluation of the Guideline

The effectiveness of the Guideline 2026 shall be monitored and reviewed through a structured Monitoring and Evaluation (M&E) mechanism designed to support continuous improvement rather than project-level assessment. This mechanism will include:

i. Annual reviews of project management processes, conducted by the NPC, focusing on compliance, project outcomes, and value for money;

ii. Stakeholder feedback forums involving MDAs, civil society, and development partners to capture user experiences, implementation challenges, and practical insights;

iii. Selected institutional performance indicators, such as stakeholder satisfaction, the number of development projects appraised by the NPC, and alignment of approved investments with FYDP targets (refer to Annex 1 for KPI definitions, targets, and calculation methods).

To ensure relevance and responsiveness, the Guideline may be updated periodically to reflect changes in legislation, indicators, institutional arrangements, or implementation experience. In addition, a structured mid-cycle progress review will be conducted during the FYDP period to assess implementation performance and inform planning and resource allocation decisions. However, this review will not constitute a full policy revision.

A comprehensive internal review of the Guidelines shall be undertaken at least once every five (5) years and no later than December of the final fiscal year of each FYDP cycle. This review will draw on progress reports, stakeholder feedback, lessons learned, and emerging policy priorities to ensure that the Guidelines remain effective, relevant, and aligned with national development objectives.

1.6 LAYOUT OF THE GUIDELINE

This Guideline is structured into seven chapters, each addressing a key component of the project management framework. The layout is designed to provide a logical flow from project conception to implementation, monitoring, evaluation, and sustainability.

Chapter 1: *Introduction* - Presents the background, purpose, legal and institutional framework, target users, and scope of the Guideline.

Chapter 2: *Project Management Cycle* - Describes the project management cycle, including the classification of projects, key phases, and governance structures.

Chapter 3: *Project Identification and Planning* - Outlines the processes and tools for identifying, designing, and planning a project.

Chapter 4: *Project Appraisal* - Defines principles, criteria, and methods for appraising projects to ensure value for money and strategic alignment.

Chapter 5: *Prioritisation and Financing* - Explains the process of prioritising PIPs and integrating them into the national budget framework.

Chapter 6: *Implementation, Monitoring, and Reporting* - Provides guidance on implementing the projects, monitoring progress, ensuring compliance, and reporting performance.

Chapter 7: *Evaluation and Sustainability* - Focuses on evaluation processes and their linkages with monitoring, the assessment of project outcomes and impacts, and the sustainability of investments, including the recognition and management of public assets from the point of project registration through to completion and operation.

"The Guideline is vital for ensuring that streamlined procedures are followed for the initiation, financing, implementation, and evaluation of projects to address ongoing inefficiencies."

CHAPTER TWO

Project Management Cycle & Governance

2.1 OVERVIEW

This chapter provides a detailed overview of the Project Management (PM) cycle in Tanzania, describing project classification, project lifecycle stages, institutional governance, and the roles involved in project management.

2.2 PROJECT CLASSIFICATION

To enable effective planning, execution, monitoring, and evaluation, projects are categorised into different groups based on cost and nature. These categories determine the specific processes and stages projects must follow to qualify for prioritisation and financing.

2.2.1 Classification Based on Investment Costs

Projects are categorised into three groups based on investment cost. This classification is based on Tanzania's experience with implementing major development projects. According to this guideline, projects are distinguished by their level of investment:

a. Project Type I (Large): costing **TZS 100 billion** or more

b. Project Type II (Medium): costing from **TZS 50 billion** to less than TZS 100 billion

c. Project Type III (Small): costing less than **TZS 50 billion**

Project classification incorporates multiple criteria to provide a comprehensive perspective. These criteria include project size, sector, strategic importance, expected impact, readiness, risk profile, financing sources, and project duration. This ensures that projects are properly appraised, prioritised, funded, and monitored according to their significance and resource requirements.

2.2.2 Classification Based on the Nature of the Project

Projects are divided into two categories: infrastructure and non-infrastructure:

a. **Infrastructure:** Large, capital-intensive projects involving the construction of new or the rehabilitation of existing physical assets, such as transportation, water, energy, real estate/housing, and telecommunications.

b. **Non-Infrastructure:** Projects that include capacity building; procurement of major assets such as machinery, software, vehicles, vessels, and aircraft; intangible assets (e.g. software); technical upgrades; and enhancements to public administration.

Note: Where an investment is hybrid, comprising both infrastructure and non-infrastructure components, the project will be classified as an infrastructure project and prepared using a Pre-Feasibility Study.

Note on Sectors and Sub-Sectors:

Besides classifying projects by cost and type, it is equally important to recognise the sectoral scope within which these investments are initiated. This sectoral framework is provided by the NPC. It is regularly updated to align with national development priorities and serves as a reference during project identification and preparation. By guiding project initiation within specific sectors, this framework ensures that proposed investments are strategically targeted, coherent, and aligned with both sectoral objectives and broader national development goals.

2.3 STAGES OF THE PROJECT CYCLE

Projects follow a five-stage cycle, namely:

a. Identification and Preparation

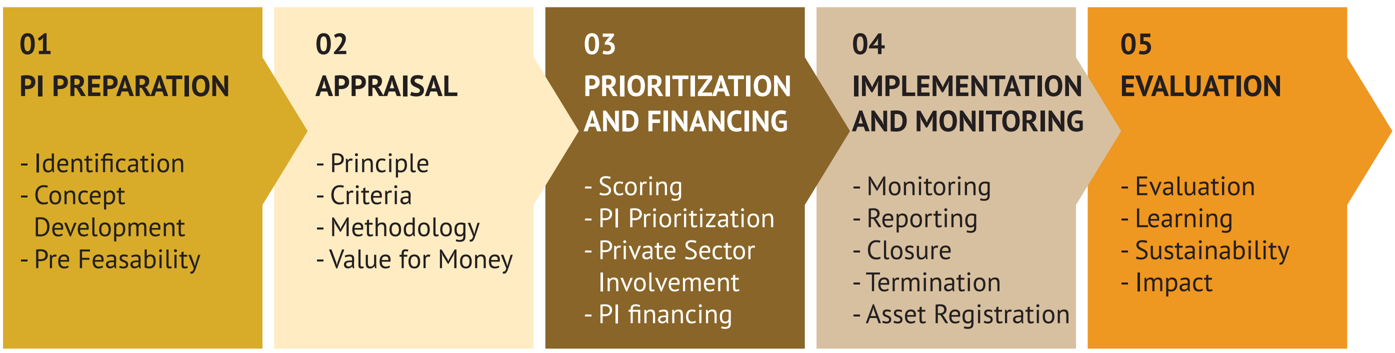
b. Appraisal

c. Prioritisation and Financing

d. Implementation, Monitoring, and Reporting

e. Evaluation for Sustainability

This is illustrated in **Figure 2.1.**



Box 2.1: Project Preparation Guidance

i. Projects should clearly define their expected outcomes and align them with specific targets or priority areas outlined in national planning frameworks.

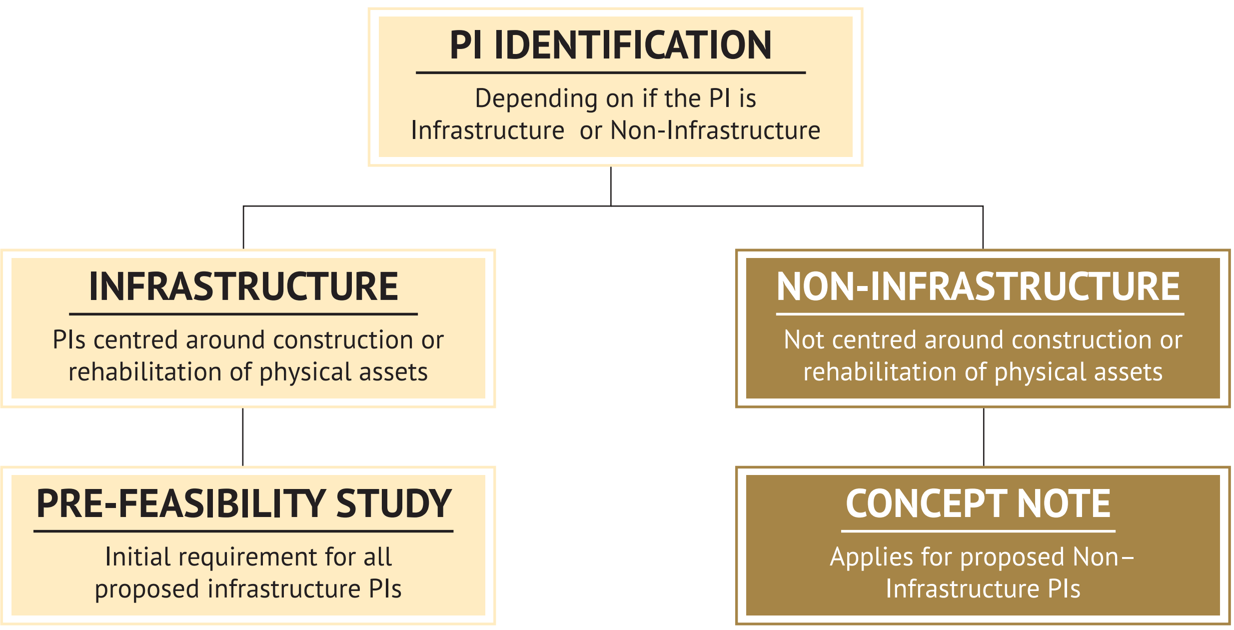
ii. All projects may only proceed to the appraisal stage after the NPC has approved their respective Concept Notes or Pre-Feasibility Studies.

iii. To ensure compliance, Line Ministries must complete and submit a Strategic Assessment Report (SAR) confirming that the Concept Notes or Pre-Feasibility Studies submitted by Implementing Agencies meet all the requirements specified in this Guideline

2.3.1 Project Identification and Preparation

This stage involves establishing a strategic justification for the project and developing a business case that clearly articulates the project's need and its alignment with national frameworks. Depending on the nature of the project, the proposing entity is expected to prepare either a Concept Note or a Pre-Feasibility Study. The documentation requirements for Concept Notes and Pre-Feasibility Studies for both infrastructure and non-infrastructure projects are outlined in **Figure 2.2**

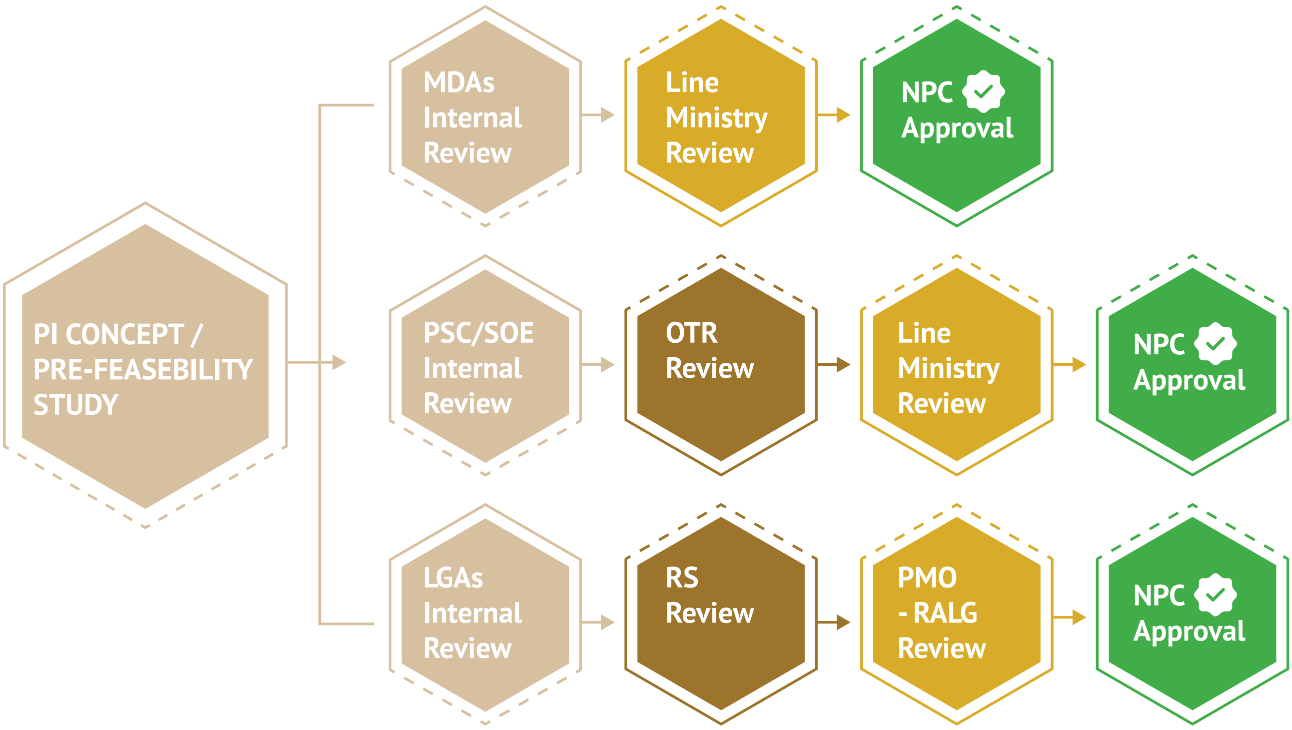
Figure 2.2: *Documentation Requirements for Project Concept Note/Pre-Feasibility Study for Infrastructure vs. Non-Infrastructure*



Concept Note Review by Project Type

Concept Notes and Pre-Feasibility Studies will be reviewed at the following levels, based on the project's screening channel, before they are permitted to proceed to appraisal. The process is detailed in **Figure 2.3.**

Figure 2.3: *Review Requirements for Concept Notes/Pre-Feasibility*

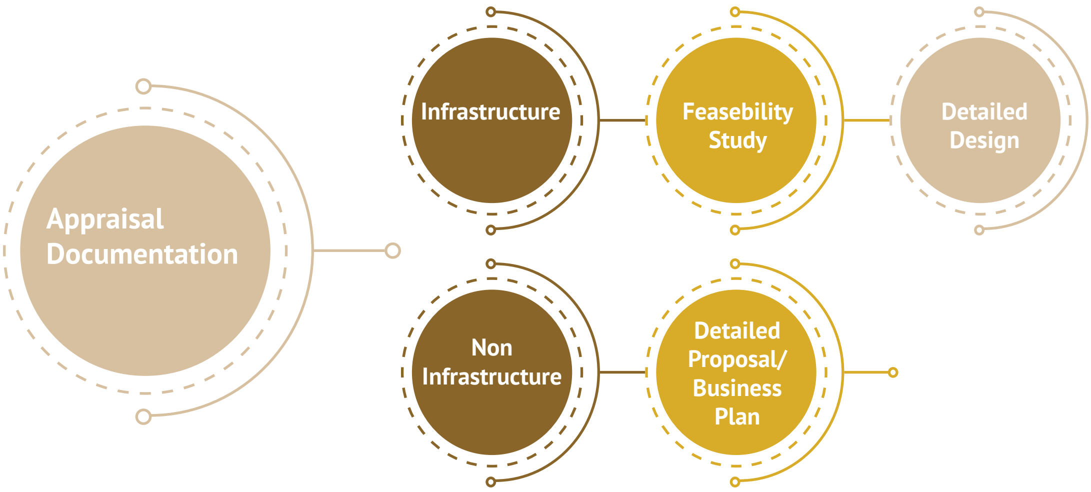


2.3.2 Appraisal

During this stage, the Implementing Agency establishes an analytical basis to assess a project's social viability and evaluate its long-term sustainability. This evaluation encompasses financial, budgetary, environmental, social, and managerial perspectives, alongside the consideration of Environmental Impact Assessment.

Depending on the project's nature, the Implementing Agency will conduct Feasibility Studies or develop a project proposal. The specific requirements for each project classification are outlined in **Figure 2.4.**

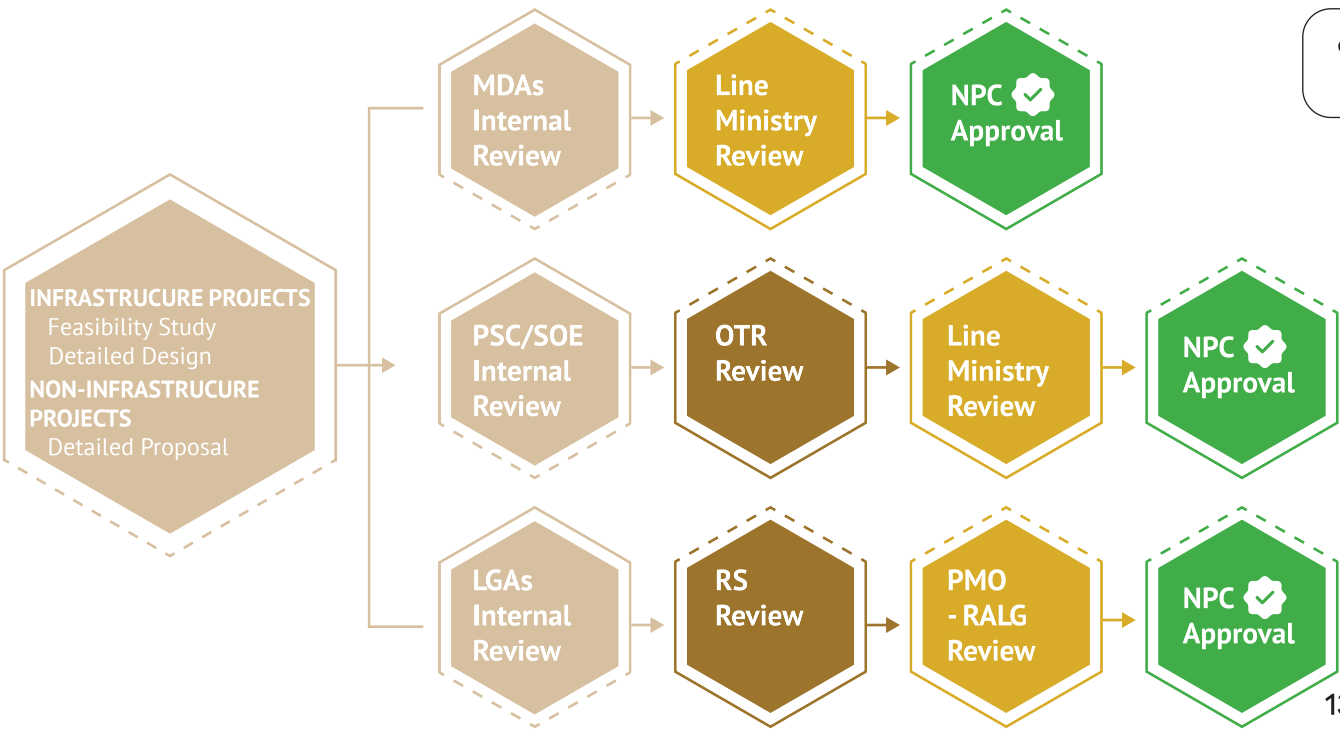
Figure 2.4: *Documentation Requirements for the Appraisal Stage – Infrastructure vs. Non-Infrastructure projects*



Feasibility Study and Detailed Project Proposal Review

Project documents shall be reviewed at the appropriate levels before the NPC approval. The review requirements for Feasibility Studies, Detailed Project Proposals, and Detailed Project Designs are presented in **Figure 2.5.**

Figure 2.5: *Review Requirements for Feasibility Studies, Detailed Project Proposals, and Detailed Project Designs based on applicable screening Line*



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Box 2.2: Project Prioritization and Financing Guideline

i. Only projects prioritised and selected by NPC through prioritisation will be included in the Annual Development Plan (ADP) and development budget.

ii. Implementing Agencies must adhere to the PM Calendar for submitting, appraising, reviewing, and approving projects to ensure consideration for prioritisation and budgeting in the next fiscal year.

iii. Failure to adhere to the PM Calendar by the Implementing Agency will lead to exclusion of development projects from the development budget.

2.3.3 Project Prioritisation and Financing

At this stage, NPC prioritises all project types for inclusion in the upcoming year's planning and financing framework, based on the established criteria outlined in this guideline. For transparency, NPC selects these projects and submits them to its Project Management Executive Team for approval and inclusion in the Annual Development Plan (ADP) and the development budget. A key focus is the integration of pending pipeline projects with newly prioritised ones. To ensure smooth coordination between planning and financing processes, implementing agencies must adhere to the PM Calendar outlined in **Table 2.1.**

Table 2.1: *The Guideline Calendar*

No.	Activity	Responsible Entity	Proposed Timeline	Remarks/ Notes
1	Project Identification and Planning	Project Implementing Entities	July 1 – June 30	Continuous process to identify investment opportunities aligned with national priorities
2	Communicate ideas to the respective Institution/ Ministry for initial review.	Project Implementing Entities	July 1 – June 30	Early engagement ensures alignment with sectoral and national strategies

No.	Activity	Responsible Entity	Proposed Timeline	Remarks/ Notes
3	Submission of Feasibility Studies, Detailed Proposals, or Business Plans for Appraisal to NPC	Line Ministries; OTR	July 1 - Sep 30	Submissions must adhere to specified technical and financial appraisal standards.
4	Review, Approval, and Prioritisation of Proposal Documents	Line Ministries; NPC Team	Oct 1 - Dec 31	Prioritisation based on readiness, alignment, and available resources
5	Preparation of Plans and Budgets of respective MDAs and LGAs, and inclusion in the ADP	Sector Ministries; NPC	Dec 1 - Jan 30	Plans to reflect approved and prioritised project projects.
6	Development Budget Scrutinisation	NPC; MoF	Feb 1 - March 10	Technical and financial vetting to ensure budget credibility
7	Parliament's Approval of the ADP and MDAs' Budget and Plans	NPC; MoF	March 11 - June 30	Legal approval of the development budget and investment priorities
8	Project Implementation	Implementing Agencies	July 1 – June 30	Implementation adheres to approved work plans and budget allocations

2.3.4 Implementation, Monitoring, and Reporting

Approved projects are mobilised and executed at this stage. Progress is monitored against an implementation plan, previously scrutinised and agreed during the approval process. This plan incorporates established Key Performance Indicators (KPIs), timelines, and approved budgets, enabling determination of whether the project is on track to meet its intended objectives. Where necessary, adjustments are made to realign the project with its original goals or to revise certain objectives in response to significant changes that may have occurred since its approval.

For guidance on progress tracking and reporting requirements, refer to the standard reporting template for all projects, located in the **Annexes.**

2.3.5 Project Evaluation

Projects should be recognised as assets from the time of their registration, rather than solely upon completion. This stage involves systematically assessing a project's performance, outcomes, and impacts after implementation. During this evaluation, implementers determine whether the investment has achieved its intended results.

To ensure sustainability and proper accounting, projects that create long-term value must be formally recorded as public assets by the responsible entity. Investments that generate benefits but do not result in tangible or intangible assets should instead be treated and recorded as development expenditures.

A consolidated summary of the main activities, necessary documentation, and responsible institutions across all five stages of the Project Management (PM) cycle is provided in **Table 2.2.**

Table 2.2: Summary of Main Activities in the Project Management Cycle

Stage	Main Activities	Documentation Required	Responsible Institutions
Preparation	– Identification of project ideas – Strategic guidance Preliminary screening – Likelihood of Private sector involvement review – PPP suitability test – Implementation Arrangement	– Project Concept Note – PFS – CN and PFS Compliance checklist	– Implementing Agencies – OTR (for PSC) – NPC (MDAs, RS, LGAs)
Appraisal	– Economic, social, and environmental impact analysis – Cost-benefit analysis – Risk assessment, including climate change risk – Preliminary Design – Implementation Arrangement (M&E Indicator) – Confirmation of Private sector involvement review – PPP projects Fiscal Commitment and Contingent Liabilities – Review and Approval	– Feasibility Study (FS) – Detailed project Proposal – Business Plan (for Commercial project) – Strategic Assessment Report – Environmental Impact Assessment	– Implementing Agencies – OTR (for PSC) – NPC (MDAs, RS, LGAs)

Stage	Main Activities	Documentation Required	Responsible Institutions
Prioritisation and Financing	– Project ranking prioritising – Project Selection for financing – PPP arrangements Financing arrangements – Cabinet & Parliamentary approval	– Detailed Implementation Plan – Cash Flow – ADP	– NPC – MoF – PO-PI – Cabinet – Parliament
Implementation and Monitoring	– Contracting and procurement Management – Construction/ Execution – Supervision & Reporting – Monitoring (physical & financial) – PIP Adjustments and Termination – Project Closure	– Detailed Design – Procurement Plans – Quarterly, Annual Progress Report – Project Completion Report	– NPC – MoF – Implementing Agencies
Evaluation	– Ex post evaluation – Feedback into future planning – Asset registration	– Evaluation Reports	– Implementing Agencies – MoF – NPC

2.4 PROJECT GOVERNANCE AND COORDINATION

Effective governance of the PM process is achieved through the NPS's organisational structures, which ensure transparency, accountability, and alignment with national priorities. This guideline provides oversight for the review, prioritisation, and approval of project proposals across various levels of government. The teams responsible for managing and coordinating these functions are summarised in **Table 2.3.**

2.4.1 Establishment of PM Review Teams

PM and Specialised Teams will be established within Line Ministries to review project proposals before submitting them to the NPC for further assessment and to facilitate the approval process. The objective is to promote efficient resource allocation, ensure transparent project selection, enhance private-sector participation, prioritise climate-smart investments, and secure proper stakeholder alignment for implementation. When specialised expertise is required, particularly for infrastructure-related investments, the NPC may seek technical guidance from subject-matter experts to support the project review process.

2.4.2 Roles and Functions of Institutions in the Guideline

This sub-section details the primary roles of different actors and organisations in the Guideline process as described in **Table 2.4.**

2.4.3 Role of the e–Delivery

To improve the efficiency of the project cycle, from preparation through appraisal, prioritisation, funding, implementation, monitoring, reporting, and evaluation, a web-based system has been developed. This system serves as a digital platform for executing the business processes articulated in this guideline. The system serves as a central repository for all project data and information, enabling efficient processing, storage, retrieval, tracking, and feedback across the entire investment lifecycle. It facilitates evidence-based planning, prioritisation, and funding decisions and strengthens downstream implementation, monitoring, reporting, and evaluation.

Furthermore, the system is designed to integrate seamlessly with other government platforms, including CBMS, MUSE, GAMIS, and PlanRep 1 and 2. This interoperability ensures consistent data flows, enhances transparency and accountability, and improves overall efficiency in the planning and management of projects. Use of e-Delivery is mandatory for all project submissions, reporting, monitoring, and evaluation activities. Project documents not uploaded to e-Delivery will not be considered for appraisal or prioritisation.

2.5 PROJECT MANAGEMENT BUSINESS PROCESS FLOW

The Public Investment Management (PIM) business process flow presented in Figure 2.6 illustrates the full project cycle from preliminary assessment to ex-post evaluation, highlighting the roles of key institutions, decision points, and coordination mechanisms.

It is important to note that the PM process is not strictly linear. Although the flow is structured around sequential stages, preliminary assessment, appraisal, selection, implementation, and ex-post evaluation, projects may advance, pause, or return to earlier stages depending on emerging information, revised assumptions, or identified risks. This iterative approach ensures flexibility and responsiveness throughout the project lifecycle.

During the preliminary assessment stage, project ideas are screened and concept notes are reviewed by implementing agencies, the Office of the Treasury Registrar, Line Ministries, and the National Planning Commission (NPC). Decision points at this stage determine whether a project proceeds, requires revision, or is rejected.

At the appraisal stage, detailed proposals, feasibility studies, and business cases are assessed. This stage involves rigorous technical, financial, and economic analysis to establish project viability and alignment with national priorities. Projects that meet the required standards proceed to the pipeline and prioritisation processes, while others may be sent back for further refinement.

The selection and budgeting phase involves prioritising projects within the available resource envelope. The NPC plays a central role in consolidating projects and ensuring their alignment with national development priorities before they are included in the National Development Budget.

During implementation, projects are executed with continuous monitoring and reporting. The process includes feedback loops, where projects that deviate from expected performance (e.g., delays, cost overruns, or scope changes) may require corrective actions, revisions, or re-evaluation. This ensures that projects remain on track to deliver intended outputs and outcomes.

Finally, the ex-post evaluation stage assesses completed projects to determine their performance, impact, and sustainability. Lessons learned are documented and disseminated to inform future project design and decision-making. Projects are then formally closed, and assets are registered where applicable.

Overall, the PM business process flow emphasises evidence-based decision-making, accountability, and continuous improvement. By incorporating iterative feedback mechanisms and clearly defined institutional roles, the process strengthens project quality, enhances risk management, and promotes value for money in public investments.

Project Investment Management Business Flow

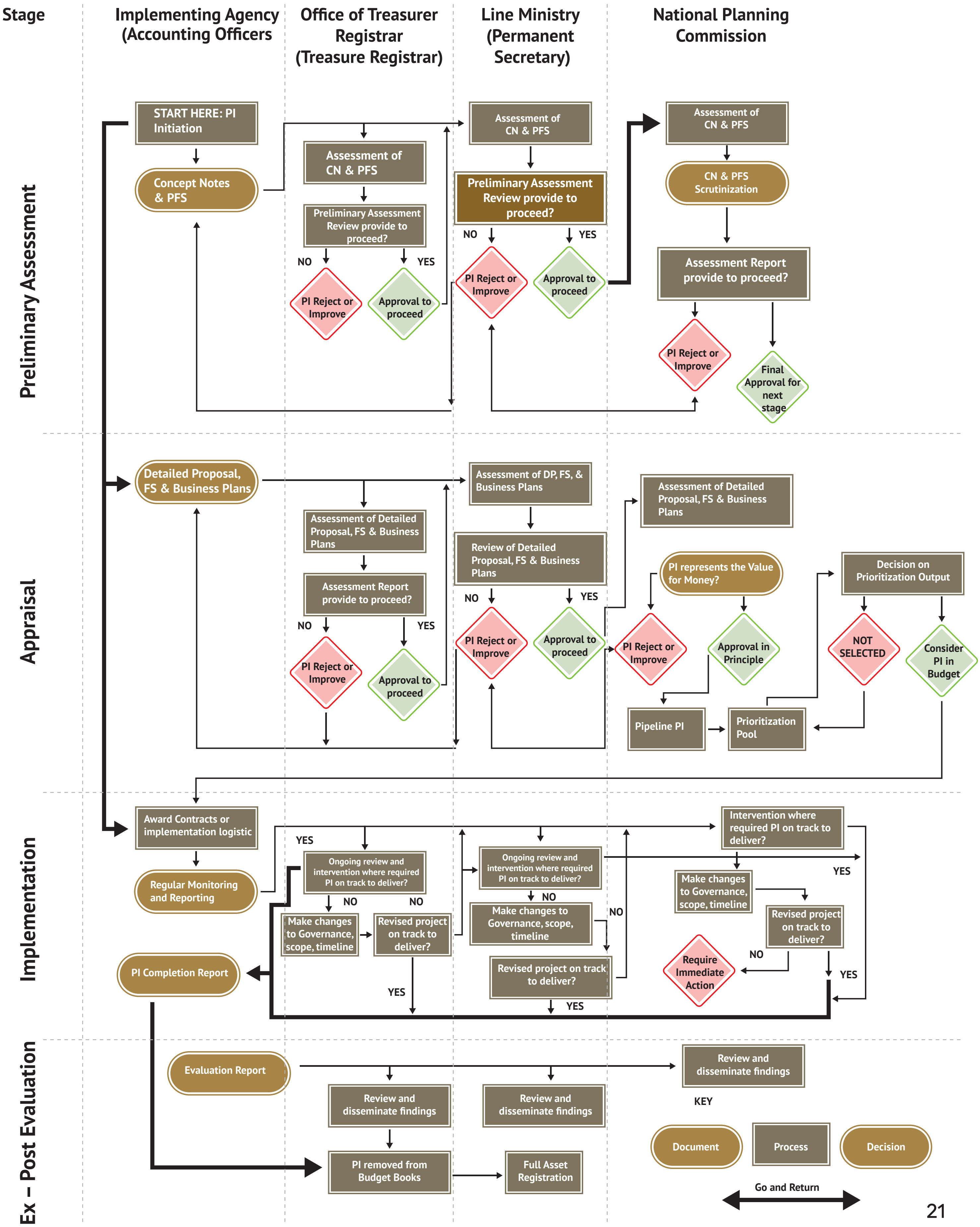

Figure 2.6: The Guideline Business Process Flow

Table 2.3: *Teams for Project Appraisal and Prioritisation Approval*

Level	Team	Roles	Members	Meeting Frequency
NPC	NPC Executive Team	a. Approve projects (as assessed by the Technical Teams) for inclusion in the pipeline b. Review and approve prioritised projects for inclusion in the ADP and development budget. c. Submit prioritised projects to the National Planning Commission.	ES NPC, DES-PME ; DES-NP, DES-TI, DPME (Serving as the Secretariat to the NPC Executive Team), And DNKRA	Monthly, between July and March
NPC	NPC Technical Team	a. Evaluate assessment results of concept notes, pre-feasibility and feasibility studies, project proposals, and M&E plans. b. Submit Pre-appraisal, Appraisal and Prioritisation Report to NPC Executive Team for final approval.	Directors and Managers: PMED (Lead) NPD; NKRAD, NPD, TID, RID, Desk Officers, and MNP (Serving as the Secretariat to NPC Technical Team)	Monthly

Level	Team	Roles	Members	Meeting Frequency
Line Ministries	Line Ministries -Level PM Review Teams	a. Assess and approve to proceed for Concept Notes (CN), Pre-Feasibility Studies (PFS), Feasibility Studies (FS), and Detailed project Proposals and Business Plan for all types of projects through the issuance of a Strategic Assessment Report. b. Submit the approved project documents to the NPC for final approval.	Permanent Secretaries of respective Ministries; Director of Planning (PM Technical Team Secretary); M&E Unit Representative; Accounting Officer; Other experts *(to be invited on a case-by-case basis depending on MDA needs)*	Throughout the Fiscal year

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Table 2.4: *Roles and Functions of Institutions in the Guideline Process*

Institution	Responsibilities in the Guideline Lifecycle
NPC	i. Formulating project guideline and providing technical capacity support to stakeholders for PM compliance ii. Appraise and approve projects for initiation through the PM Technical and Executive Teams; iii. Prioritization of all projects (Type I, II, III) iv. Set the overall annual development expenditure ceilings for each Ministerial Vote. v. Maintaining the e-Delivery vi. Monitor and evaluate priority and flagship programs

Institution	Responsibilities in the Guideline Lifecycle
MoF	i. Mobilising, allocating, and disbursing resources to finance projects that have been approved for government funding, including managing debt and external financing. ii. Guide the proper management of government assets acquired through the implementation of the project. iii. Provide technical support for projects financed through alternative finance, including private sector involvement. iv. Provide financial advisory services to implementing agencies for all aspects of public-private partnerships.
Line Ministries	i. Oversee project identification, the Guideline compliance, and approval sector projects for submission to NPC for approval. ii. Manage Performance of Implementation (M&E) of the respective programs/projects. iii. The Accounting Officer will approve the performance of programs/ projects before submitting to NPC iv. Data entry/reporting through e-Delivery
Office of the Treasury Registrar	i. Conducting initial screening of the project from State Owned Enterprises (SoEs) to assess viability, bankability, and different financing options before approval ii. Monitor project implementation outcomes within PSCs through PSC performance contracts
Implementing Agencies	i. Initiate, implement, and evaluate projects under their ownership according to the Guideline ii. Ensure compliance with the e-Delivery as a digital repository for project information and management.

Institution	Responsibilities in the Guideline Lifecycle
PMO-RALG	i. Oversee project identification, the Guideline compliance, and approval sector projects for submission to NPC for approval. ii. Manage Performance of Implementation (M&E) of the respective programs/projects. iii. The Accounting Officer will approve the performance of programs/projects before submitting to NPC iv. Data entry/reporting through e-Delivery v. Supervise and approve projects initiated by RSs and LGAs and ensure adherence to the project guideline. vi. Ensure the Guideline, M&E is aligned with the whole of government M&E framework under the Prime Minister's Office
PPP Centre	i. Provide technical support and capacity building to MDAs, SOEs, RS, and LGAs implementing projects under the PPP modality. ii. Provide financial advisory services to implementing agencies for all aspects of public-private partnerships. iii. Guide the PPP procurement process.

CHAPTER THREE

Project Identification & Preparation

3.1 OVERVIEW

This chapter provides a structured overview of the early stages of project identification and preparation, focusing on strategic alignment. It outlines how investments are identified, designed, and preliminarily assessed to ensure alignment with national priorities before proceeding to more detailed analysis. Early screening ensures that only the most strategically important investments progress to the next project cycle. The chapter also underscores the value of front-end loading in clearly defining development needs.

Any intervention utilising the development budget is classified as a project. A significant portion of its total cost must be allocated to Capital Expenditure (CAPEX). This ensures resources are dedicated to developing, acquiring, rehabilitating, or improving infrastructure and non-infrastructure assets that deliver long-term economic and social benefits.

For all projects, the NPC manages the pre-appraisal process and holds the final authority to decide whether an investment proceeds to further analysis, is revised, rejected, or postponed.

3.2 PROJECT IDENTIFICATION PROCESS

Project identification begins with a clearly defined need, such as bridging a development gap, addressing a market failure, or meeting a goal outlined in the National Development Plan. Sources of project opportunities include:

i. National and sectoral development plans, regional agreements, and bilateral or multilateral agreements.

ii. Community consultations, research, and private sector need assessments, particularly those focusing on economic development, social inclusion, climate adaptation and resilience, and emerging issues.

iii. Lessons learned from previous project performance reviews, including recommendations from oversight bodies such as the Controller and Auditor General or Parliamentary Committees, and findings from monitoring and evaluation reports.

iv. Opportunities for private sector participation through solicited and unsolicited project arrangements

3.2.1 Project Alignment with National Development Plans

Projects must align with short-term, medium-term, and long-term development plans. This alignment supports the achievement of the national development vision. The vision is executed through the Long-Term Perspective Plan (LTPP), which outlines phased five-year strategies. These strategies are further detailed in the Five-Year Development Plans (FYDPs), which establish investment priorities in key sectors and flagship programmes. The implementation of FYDPs is guided by the National Planning Guideline and the Planning and Budgeting Guideline, which guide the preparation and implementation of Sectoral Strategic Plans. Priorities are refined and funded through the Annual Development Plans (ADPs). These plans form the basis for annual budgets and implementation. All projects must be integrated into these frameworks to ensure strategic alignment, efficient public spending, and improved service delivery. (see **Figure 3.1)**.

3.2.2 Project Climate Considerations

At the project identification and initiation stage, all implementing agencies (MDAs, LGA's, and PSCs) are required to integrate climate-smart considerations into all proposed projects. These qualitative and quantitative criteria ensure that projects are climate-smart, contribute to Tanzania's mitigation and adaptation commitments, and align with the National Climate Change Response Strategy and Tanzania's Nationally Determined Contributions (NDCs). Implementing agencies shall apply the criteria set out in **Table 3.1.**

Table 3.1: *Guide to Climate Screening at Initiation*

Criteria	Low	Medium	High
Climate hazard identification (flooding, drought, landslide, extreme temperature, sea level rise, extreme weather)	Minimal exposure; limited impact on design	Moderate exposure; requires targeted adaptation measures	High exposure: project viability depends on major resilience measures
Vulnerability Assessment (Sensitivity and Adaptive Capacity)	Affected systems and communities can absorb climate shocks with minimal disruption	Climate impacts may disrupt services without targeted measures	Climate Change Risk Level (combined effect of hazard, exposure, sensitivity, and adaptive capacity).

Criteria	Low	Medium	High
Exposure to climate hazard Level (combined effect of hazard, exposure, sensitivity, and adaptive capacity)	Residual risks are manageable through standard design	Requires specific risk reduction and resilience measures	climate change risk Level (combined effect of hazard, exposure, sensitivity, and adaptive capacity)
Greenhouse Gas (GHG) Emissions	Negligible emissions	Moderate emissions: mitigation measures can reduce the footprint	High emissions; requires strong low-carbon alternatives
Adaptation and Resilience Needs	Minimal or no resilience features required	Partial resilience measures integrated	The core investment objective is resilience/ adaptation
Alignment with National Climate Commitments (NDCs, NCCRS)	Limited relevance	Partially supports commitments	Directly supports and advances national targets
Access to Climate Finance Opportunities	Not eligible	Potentially eligible (e.g., blended finance)	Strong eligibility for concessional climate funds/green bonds
Environmental and Social Safeguards	Limited safeguards required	Moderate safeguards required	Full ESIA with a climate-specific focus is mandatory
Climate Hazard Severity	Unlikely to occur or is expected to have minimal impact on project activities	Likely to occur periodically and may result in moderate impacts on project activities.	Frequently or highly likely to occur and is expected to cause substantial impacts on project implementation.

Criteria	Low	Medium	High
Vulnerability Assessment Criteria (Sensitivity and Adaptive Capacity).	The project, system, or community has high adaptive capacity and low sensitivity to the identified climate hazard.	The project, system, or community shows moderate sensitivity to the climate hazard and has limited adaptive capacity	and the project, system, or community is highly sensitive to the climate hazard and has low adaptive capacity
Climate Risk Level criteria, which are determined by the interaction of hazard likelihood, exposure, and vulnerability.	Showing the identified climate hazard has a low likelihood of occurrence and/or the project has low exposure and low vulnerability	The climate hazard has a moderate likelihood of occurrence, with moderate exposure and/or vulnerability	Potential impacts are significant, potentially causing major damage, service disruption, or long-term effects

Key:

Low: Minimal climate implications; limited integration required.

Medium: Moderate implications requiring targeted measures.

High: Major implications; project must integrate strong adaptation/mitigation features.

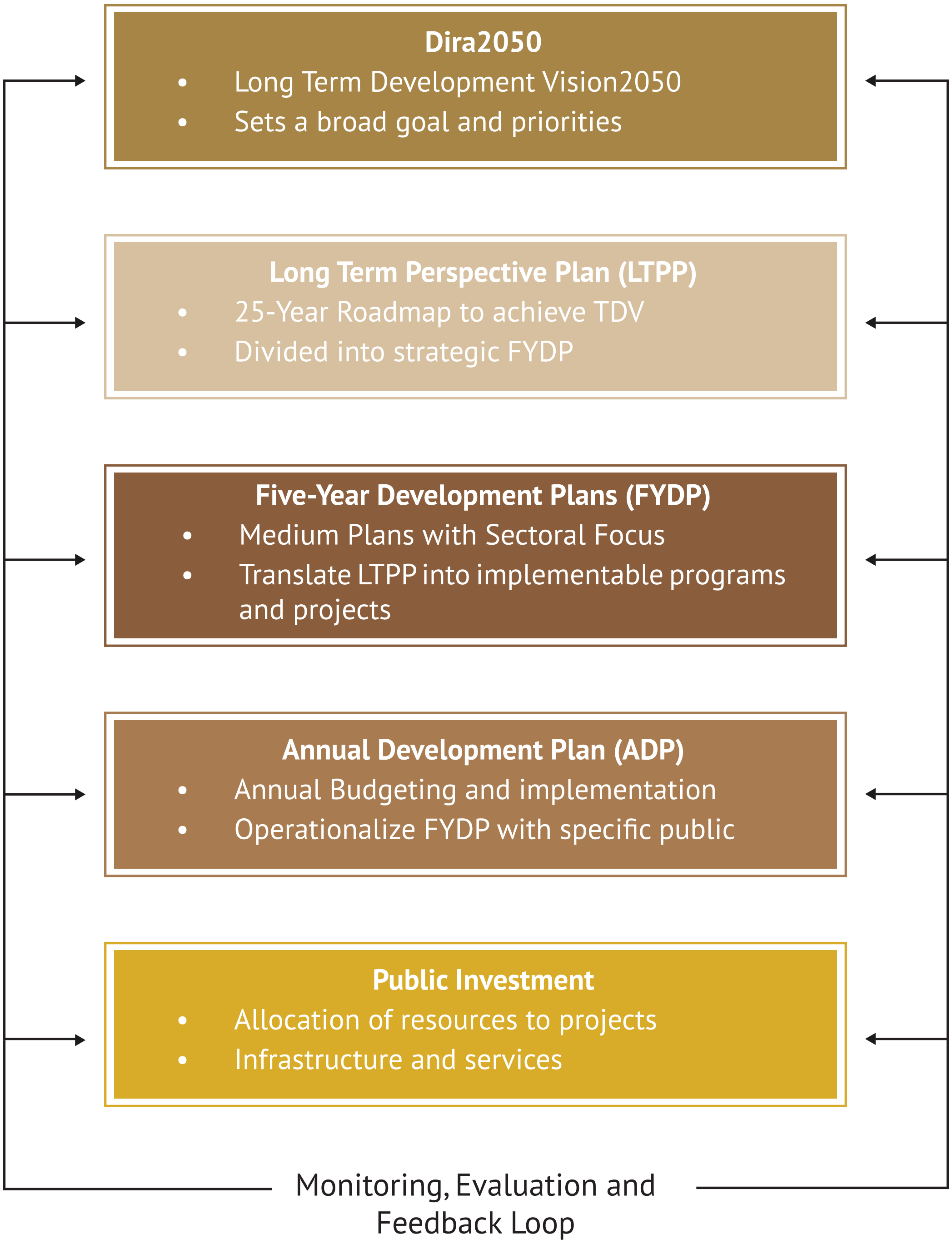
3.2.3 Project Financing Mode Identification Considerations

Furthermore, during the initial and preparatory stages of project identification and alignment with National Development Plans, the proposing entity must comprehensively understand how the project will be financed through completion.

This section provides guidance on selecting the most suitable financing options, highlighting the importance of exploring private sector collaboration and funding opportunities whenever possible.

Figure 3.1: *Linkage between projects and National Development Plans*

Linkage between Public Investments and National Development Plan Frameworks in Tanzania



At the project identification and initiation stage, implementing agencies shall evaluate the financing potential of proposed investments. This evaluation, guided by the criteria outlined in **Table 3.2.** must identify the most appropriate financing option, which is then to be clearly documented in the concept note or pre-feasibility study. To facilitate and record this assessment, implementing agencies are required to use the Concept-Level Financing Option Assessment Template **(Annexure 26).** Consistent application of this template is mandatory throughout the evaluation process.

3.2.4 Project Conceived as PPP Proposals

Project proposals identified as suitable for Public-Private Partnerships (PPPs), whether initiated by a public entity (solicited proposals) or from a private proponent (unsolicited proposals), must be processed in accordance with the Public Private Partnership Act [CAP 103 R.E. 2023] and the guidance outlined in this Guideline.

Table 3.2: *Guide to Financing Mode Identification at Initiation*

Template for scoring the assessment under this table is provided as Annexure 26

Criteria	Low	Medium	High
Revenue and Sustainable Cash Flow Potential	Government	Combination	Private
Project Risks (Financial, Technical, Operational, etc.)	Government	Combination	Private
Easy of Isolating project Cash Flows and Activities	Government	Combination	Private
Project Implementation Time Flexibility	Government	Combination	Private
Project Isolation Political Sensitivity Areas/Service	Government	Combination	Private
Capital Intensity	Government	Combination	Private
Clarity and Ease of Setting Performance Indicators	Government	Combination	Government
Capacity to Oversight and M&E	Government	Combination	Private
Legal and Regulatory Readiness	Government	Combination	Private
Private Sector/Investor Appetite	Government	Combination	Private

Criteria	Low	Medium	High
Government Preference for Private Ownership and Control	Government	Combination	Private
Level of Innovation and Technology Requirement (eco-technology, low-emission, and climate-resilient solutions)	Government	Combination	Private
Requirement for Long-term Sustainability and Maintenance	Government	Combination	Private

Key:

Low: Financing responsibility rests primarily with the government.

Medium: Financing is shared between the government and the private sector.

High: Financing to be 100% led by the private sector.

Government Refers to traditional public financing through budget allocations. These projects are funded directly through the national budget process.

Private Refers to funding obtained from the private sector, outside of traditional government budgeting. This includes:

- **PPP** Implementing agencies should select a PPP mode that best achieves the desired risk distribution and project outcome. This approach is regulated by the Public-Private Partnership Act and its Regulations.
- **Equity Financing** Involves raising capital through the capital markets, usually by issuing shares to investors. It is overseen by the **Capital Markets and Securities Authority (CMSA)**. This financing type requires incorporation under the **Companies Act.** A **Special Purpose Vehicle (SPV)** may be established for the project to fulfil this requirement.
- **Bond Financing** Involves issuing debt instruments through the capital markets, enabling entities to raise funds from investors with a commitment to repay over time. Bond issuance is regulated by the **CMSA.**

For projects implemented under PPP, whether solicited or unsolicited, the following must be observed:

i. Pre-feasibility and feasibility studies for unsolicited proposals must be conducted and fully financed by the private sector.

ii. Implementing agencies must not sign any binding agreement with the private party before receiving approval from the NPC and the PPP Centre.

iii. Risk allocation between the private party and implementing agencies should be clearly defined from the outset, including the specific risks outlined in Section 4.3(v) of this document.

iv. Guidance on PPP modes of financing, as provided in section 5.4.1, must be fully complied with.

3.2.5 Guidance on Implementation of Non-Public Service Commercial Investments

The implementation of any investment by Ministries, Departments, and Agencies (MDAs), State-Owned Enterprises (SOEs), Regional Secretariats (RS), and Local Government Authorities (LGAs) should be undertaken with the core objective of serving the public interest and contributing to national development. Investments conceived solely for commercial purposes, without a central element of public service provision, are strongly discouraged from being implemented by public institutions. Instead, MDAs, SOEs, RSs, and LGAs are encouraged to channel such investments to the private sector. In such cases, the public sector should focus on creating and maintaining an enabling environment that allows private enterprises to conduct business and thrive.

3.3 PROJECT CONCEPT NOTE AND PRE-FEASIBILITY STUDY REQUIREMENTS

After identifying a proposed project, implementing agencies develop a preliminary proposal, such as a Concept Note or Pre-Feasibility Study, outlining the planned intervention. These documents serve as essential early-stage tools in the project planning process. They help determine whether a proposed project is strategically relevant and justified from financial, economic, social, and environmental perspectives.

To ensure transparency and prevent conflicts of interest, potential contractors or financiers must not prepare Concept Notes and Pre-Feasibility Studies. This task is the responsibility of the implementing agency. An exception is made only for unsolicited proposals, where compliance with the Public-Private Partnership Act and its associated Regulations is mandatory. These documents are then assessed to verify strategic relevance, evidence-based justification, and readiness for implementation.

While the content of these documents can vary by investment type and complexity, they should provide a clear initial analysis of the proposed intervention, including the identified problem, potential solutions, expected outcomes, and alignment with national priorities. The required content for project Concept Notes and Pre-Feasibility Studies is detailed in **Table 3.3**

Table 3.3: *Concept Note and Pre-Feasibility Study Requirements*

Type of Project Document	Content
Project Concept Note	1. Executive Summary 2. Introduction 3. Investment Rationale and Justification 4. Project Description 5. Stakeholder Analysis 6. Financing Options and Justification, including Financing Mode Identification (Private Sector Involvement) Assessment) 7. Risk Analysis 8. Investment Implementation Plan and Coordination Aspects 9. Monitoring and Evaluation Plan 10. Projects proposed for PPP shall include additional contents as prescribed in the PPP Act, Cap 103, and its Regulations 11. Conclusion
Project Pre-Feasibility Study	1. Executive Summary 2. Introduction 3. Investment Rationale and Justification 4. Project Description 5. Technical Analysis 6. Stakeholder Analysis 7. Preliminary Economic and Financial Analysis 8. Financing Options and Justification, including Financing Mode Identification (Private Sector Involvement) Assessment 9. Preliminary Environmental, climate change and Social Impact Assessment (ESIA) 10. Risk Analysis 11. Investment Implementation Plan and Coordination Aspects 12. Monitoring and Evaluation Plan 13. Projects proposed for PPP shall include additional contents as prescribed in the PPP Act, Cap 103, and its Regulations. 14. Conclusion

Box 3.1: Applicability of the Project Concept Note (PCN) and Pre-Feasibility Study

All MDAs, RSs, and LGAs must adhere to the standard procedures outlined in this Guideline when initiating project proposals.

- For non-infrastructure projects, a Concept Note must be prepared and submitted using the standardised format provided in this Guideline. This format supersedes all other templates or formats.
- For infrastructure projects, a Pre-Feasibility Study must be prepared and submitted. The study must adhere to the required content and structure and be assessed and approved by the relevant authorities before proceeding to pre-appraisal by the NPC.
- For PPP projects and income-generating infrastructure investments initiated by LGAs, submissions must comply with the PPP Act, Cap 103, and all relevant sectoral manuals. Should any inconsistencies arise between these frameworks and this Guideline, the provisions of this Guideline shall take precedence.

3.4 PROJECT CONCEPT NOTE AND PRE-FEASIBILITY STUDY PRELIMINARY ASSESSMENT CRITERIA

The initial assessment serves as a crucial entry point into the project process. It reviews the need for intervention and confirms that the proposed project aligns with national development priorities, especially those outlined in the Dira 2050. The assessment undergoes an early-stage review, supported by clear reasoning, specific objectives, and expected outcomes. A comprehensive preliminary assessment will be based on the following criteria:

i. **Project Rationale:** Explain why public sector intervention is necessary, highlighting the consequences of not implementing the project. The assessment should compare the “do-nothing” and “do-minimum” scenarios to demonstrate the added value of government action. Emphasise the strategic importance of the investment in achieving the national development goals. For the PPP framework, unsolicited investments must fully comply with approved national development plans, sectoral policies, and strategies. Additionally, assess whether the project is the most suitable method to achieve the identified goals.

ii. **Project Objectives and Design Framework:** Clearly define the project's goal, specific objectives, activities, outputs, and outcomes. The objectives must be SMART (specific, measurable, attainable, relevant, and time-bound). The project's design should follow a logical structure and include Objectively Verifiable Indicators linked to the Implementation Plan. This plan must outline timelines, phases, and responsible actors. A Logical Framework Matrix should be included to connect objectives, indicators, and assumptions in a results-based model. Details on the management and institutional setup, as well as the roles and responsibilities of key personnel, must be provided.

iii. **Strategic Alignment:** Demonstrate how the project aligns with national and sectoral frameworks, including the Dira 2050, LTPP, FYDP, ADP, and relevant regional and global agendas such as the Sustainable Development Goals (SDGs) and AU Agenda 2063.

iv. **Preliminary Demand Analysis:** Provide evidence of both current and future demand for the services or goods to be delivered by the project. The analysis should rely on recognised local or international data sources (e.g., National Bureau of Statistics, Bank of Tanzania) to support the forecasts. All assumptions must be explicitly stated. The analysis should also justify the scale of the proposed intervention and verify its relevance and efficiency.

v. **Regulatory and Institutional Framework:** The project should be grounded in a clear legal and institutional mandate, including the statutory authority of the implementing agency. Any legal or regulatory barriers that could obstruct implementation should be identified and addressed. The project documentation should also cite all relevant policies, laws, and regulations, including provisions related to Local Content and Corporate Social Responsibility (CSR), to support inclusive and sustainable development.

vi. **Socioeconomic Benefits:** Identify the primary beneficiaries of the project and outline the expected socioeconomic outcomes. These may include job creation, contribution to GDP growth, increased domestic production, improved access to services, poverty reduction, promotion of inclusive development and forward and backward linkage.

vii. **Alternatives Assessment:** Identify and compare feasible alternatives capable of addressing the identified need. Justify the preferred option based on criteria such as cost-effectiveness, sustainability, and institutional fit. The assessment should also include alternatives that may not involve direct investment and outline the potential risks or consequences associated with delayed implementation.

viii. **Costs and Risks:** Provide a preliminary estimate of the project costs. Under no circumstances should this stage be used to make funding commitments. Where the Government is expected to finance the project, either fully or partially, a preliminary analysis of funding availability should be provided.

All Concept Notes and Pre-Feasibility Studies must include a Preliminary Risk Register that identifying:

- Risk categories (technical, financial, social, environmental, political, and legal)
- Risk owner
- Risk probability (low, medium, or high)
- Proposed mitigation measures
- Contingency plans

ix. **Assessment of Viability and Mode of Private Sector Involvement:** Evaluate whether the project can feasibly be implemented through collaboration with the private sector. Where appropriate, the Concept Note or Pre-Feasibility Study should consider alternative options for private sector participation in the financing, development, or operation of the project. A preferred option must be recommended and justified by including a Value for Money (VfM) analysis, including a comparison with the fully public options. The recommendation must demonstrate which approach offers the best net benefit across cost-effectiveness, efficiency, risk sharing, and long-term sustainability.

Box 3.3: Guidance on Concessions and Risk Sharing between Public and Private Entities

For projects implemented through PPP arrangements or other forms of private funding, the PCN and PFS must clearly define the roles and responsibilities of each party throughout the project lifecycle, including initiation, implementation, operation, and termination. All relevant risks—including financial, operational, commercial, market, compliance, technological, and environmental—must be explicitly identified and appropriately allocated.

x. **Preliminary Assessment of Project Implementation Arrangements:** The analysis should show how the proposed project adds to or improves current or future initiatives. It must align with national and sector strategies, avoid duplication, and utilise partnerships to achieve a greater development impact.

An early review of implementation arrangements is crucial to assess the project's initial feasibility. This involves evaluating the implementing agency's readiness and capacity, as well as the proposed implementation timeline. Such an assessment highlights potential delivery risks, institutional gaps, or unrealistic expectations. It ensures that only proposals with credible implementation plans move forward to full appraisal, thereby strengthening project design and enhancing delivery outcomes.

For infrastructure-related projects, criteria (i) through (xiii) must be satisfied. In addition, non-infrastructure criteria (i) through (x) should also be addressed to strengthen the overall strategic case for investment.

xi. **Preliminary Inputs on Technical Feasibility:** Demonstrate the technical feasibility, suitability, and innovativeness of the proposed technology. Verify land availability, legal status, and ownership, including any required resettlement or compensation plans. Proof of land ownership, such as a certified title deed, must be attached

    Ensure that engineering designs and technical specifications adhere to recognised standards and that the proposed technologies are compatible with local conditions. The institutional structure, technical capacity, and operations and maintenance (O&M) arrangements must be clearly outlined to support effective implementation and long-term sustainability

xii. **Preliminary Climate, Environmental, and Social Impact Assessment (ESIA):** An initial climate and ESIA screening should be conducted to ensure that projects are resilient to climate change risks and aligned with national adaptation and decarbonisation strategies. The assessment shall apply a standardised checklist covering project description, resource use, waste management, land use, socio-economic context, biodiversity sensitivity, cultural and archaeological sites, and stakeholder engagement.

Projects shall also be assessed against minimum indicators:

a. Environmental: GHG impact (tCO_2e/year), air and water quality, soil erosion/degradation risk, and biodiversity status.

b. Social: Livelihood and income impact, access to basic services, resilience index (adapted to Tanzania), and health and safety risks.

These requirements draw from the Environmental Management Act (2004), the oversight mandate of the National Environment Management Council (NEMC), and resilience frameworks adapted for Tanzania. They provide a systematic basis for early screening, ensuring measurable standards are applied, and sustainability considerations are integrated at project initiation.

xiii. Preliminary Financial and Economic Analysis: This assessment must demonstrate the initial viability of the proposed project from both financial and economic perspectives. It should present projected returns and expected societal benefits, supported by quantitative indicators and aligned with national development priorities.

Include key financial metrics like Internal Rate of Return (IRR), Net Present Value (NPV), Payback Period and contingent liability, along with an initial assessment of the project's affordability. The analysis should also highlight broader economic benefits such as job creation, increased access to services, productivity gains, and multiplier effects across sectors.

NPC shall publish key macroeconomic parameters annually. These parameters must be used in all financial and economic analyses at this stage.

a. *Socio-Economic Viability:* The analysis should evaluate whether the project will produce net benefits for society by considering all associated costs and benefits to the public, government, environment, and the implementing organisation. If the project is not economically viable, it will not proceed to the next phase.

b. *Financial Viability:* This includes an initial evaluation of the project's capacity to generate sustainable cash flows. All potential revenue sources and their corresponding capital and operational expenses over the planning period must be clearly identified and outlined.

3.5 PRELIMINARY REVIEW AND APPROVAL OF PROJECTS

All public institutions and private sector entities initiating projects must submit the following documents for initial review and approval: (a) a project CN for non-infrastructure investments; and (b) a PFS for infrastructure-related projects.

The following review sequence will be used to enhance multi-level screening and decision-making.

i. **Independent Government Departments:** Entities not under OTR oversight must submit their CNs or FS to the relevant Sector Ministry for initial screening. The Sector Ministry will then forward the reviewed submissions to NPC for final evaluation and approval.

ii. **Public and Statutory Corporations (PSCs):** PSCs must initially submit their CNs or FS to the OTR for a technical review. After screening, the OTR will forward approved submissions to the relevant Sector Ministry. The Sector Ministry then conducts a secondary screen and submits a strategic assessment report (SAR) to NPC for final assessment and approval.

iii. **Regional Secretariats (RSs) and Local Government Authorities (LGAs):** RSs and LGAs must submit their CNs or FS to the Prime Minister's Office – Regional Administration and Local Government (PMO-RALG) for initial review. PMO-RALG will screen and submit the strategic assessment report (SAR) to NPC for final assessment and approval.

NPC Review and Approval of Projects

NPC, through its designated Technical Team and Executive Team, shall review and approve investment proposals in accordance with an established schedule. Specifically, NPC shall:

a. Validate the CN or FS using the criteria outlined in Section 3.4, guided by the Guideline and supported by e-Delivery.

b. Ensure that climate change considerations are properly addressed, including resilience, adaptation, and mitigation measures, as required under Section 3.4.xii, guided by the Guideline and supported by e-Delivery.

c. Assess the financial viability of the proposed project against the proposed financing plan, to ensure financially viable projects do not exert undue pressure on fiscal space.

d. Evaluate private sector participation, both financial and non-financial, to assess its relevance, feasibility, and value-added contribution to the project.

e. Confirm decision readiness by categorising each project proposal as:

- Ready to proceed to a full feasibility study, or
- In need of revision and resubmission; or
- Deferred or rejected if not viable.

For PPP investments: If the project is proposed as a PPP, NPC shall submit viable proposals to the Minister for PPP for further review according to the PPP Act, Cap 103.

Box 3.4: Guidance on Project Lifecycle and Approvals

Approval at the Concept Note or Pre-Feasibility Study stage enables the proposed project to proceed to the next phase of project development, which involves developing detailed proposals or conducting feasibility studies.

CHAPTER FOUR

Appraisal Approaches to Project

4.1 THE APPRAISAL OVERVIEW

Following the preliminary assessment, approved projects advance to the appraisal phase. This stage involves a comprehensive evaluation of investment proposals to assess their technical feasibility, financial and economic viability, and social and environmental impacts. The primary objective is to ensure that investments are worthwhile, achievable at a reasonable cost and carry manageable risk.

The appraisal process also ensures that public resources are utilised in the most efficient, effective, and economical manner to achieve intended outcomes. It also enables the Government to confirm that proposed projects represent the most effective and efficient means of attaining national development objectives.

The appraisal stage ensures that all projects progressing to the approval stage are:

i. Analysed thoroughly to ensure maximum value for money, including demand, alternatives, and cost–benefit analyses;

ii. Assessed risks and uncertainties, including those associated with climate change.

Only projects with strong justification at this stage will proceed to the budget review phase. The NPC reserves the right to reject proposals that no longer aligned with the most effective and efficient use of resources in achieving the country's development goals.

4.2 PROJECT APPRAISAL PRINCIPLES

The following fundamental principles guide the appraisal process:

i. **Appraisals should emphasise front-end loading in projects.**

Appraisals should follow the front-end loading principle, ensuring that critical project decisions and preparations, such as demand analysis, costing, feasibility, and design estimates, are thoroughly addressed early in the project cycle. This approach helps prevent costly changes later, as issues or discrepancies in project design are identified as early as possible during the appraisal stage, before implementation begins. Adherence to this principle guarantees that projects are fully designed, costed, and planned before any physical work commences..

ii. **Appraisals must assess the availability of alternatives or the impact of a "do-nothing" scenario.**

The appraisal process must evaluate the consequences of not implementing the proposed project to determine if the intervention offers a net positive impact on development and whether superior alternatives exist. To identify the most effective investment option, the appraisal should analyse various scenarios, including the 'do-nothing' scenario (no intervention), the 'do-minimum' scenario (only essential actions), and other technically feasible solutions.

iii. **Appraisals need to control optimism bias.**

Optimism bias is the tendency to underestimate project costs, timelines, and risks while overestimating project benefits, often stemming from overly optimistic planning by the implementing agency. To mitigate this bias, measures such as independent reviews and benchmarking should be applied. Furthermore, forecasts must rely on actual data from similar projects in Tanzania or comparable contexts, with clear evidence supporting all assumptions regarding demand, costs, and delivery schedules.

iv. **Appraisals should use a suitable time horizon when assessing Project costs and benefits.**

The appraisal time horizon for evaluating a project's economic and financial costs and benefits must align with the proposed asset's economic. This period varies by sector and should adhere to sector-specific guidelines. While standard timeframes are acceptable, as established in some sectors **(see Table 4.1)**, longer horizons may be considered for projects with long-term impacts, such as those related to climate change. Any extension of the appraisal period requires NPC approval as part of the appraisal plan..

v. **Appraisal for programme should consider proper sequencing of complementary projects within the programme**

Programme appraisals must ensure the proper sequencing of catalytic projects within a programme to facilitate efficient resource utilisation during project implementation. Additionally, appraisals should ensure comprehensive engagement with all relevant stakeholders, enabling smoother, more efficient execution, enhanced accountability and transparency, and effective adaptive management and problem-solving.

Table 4.1: *Appraisal Time Horizon – Reference Periods by Sector*

Sector	Recommended Reference Period (Years)	Basis/Reference
Transport – Roads, Railways, Ports, Airports	25 – 30	European Commission – Guide to Cost-Benefit Analysis of Investment Projects (2014), South Africa Treasury (2020)
Water Supply and Sanitation	25 – 30	National Treasury (South Africa) – Capital Planning Guideline (2020)
Energy and Power Generation	15 – 25	World Bank (2022), SA Treasury (2020)
ICT and Broadband	10 – 20	Organisation for Economic Co-operation and Development (OECD) - Recommendation on the Governance of Infrastructure (2020), SA Treasury (2020)
Health and Education Infrastructure	15 – 25	AfDB (2019), SA Treasury (2020)
Urban Development and Housing	20 – 25	European Commission – Guide to Cost-Benefit Analysis of Investment Projects (2014)
Research, Innovation, and Skills Development	10 – 15	ADB (2017), SA Treasury (2020)
Business and Industrial Infrastructure	10 – 15	National Treasury (South Africa) – Capital Planning Guideline (2020)
Environment, Climate, and Natural Resources	25 – 40	World Bank (2022), UNDP (2019)
Other Sectors (Non-Infrastructure projects)	10 – 15	National Treasury (South Africa) – Capital Planning Guideline (2020)

vi. **Appraisals should be seen as tools for sound decision-making.**

The appraisal process should inform, rather than determine, final decisions. Its primary goal is to gather and analyse relevant data to support sound investment choices. As project needs consistently exceed available resources, even well-rated projects must still be prioritised. Therefore, the appraisal process must remain objective, enabling decision-makers to identify options that yield the best outcomes.

4.3 PROJECT APPRAISAL CRITERIA

i. **Strategic Importance of the Project**

This stage involves a thorough review and reassessment of the project's overall strategic relevance, objectives, and rationale. It entails examining assessment reports from the project's concept notes and pre-feasibility studies, particularly policy changes necessitate a re-evaluation. The project proposal must align with national priorities and demonstrably contribute with data and evidence, to the development goals outlined in Dira 2050, the LTPP, and the FYDPs. The proposal should detail how it addresses this planning framework, identifying specific areas of contribution at each level and presenting measurable indicators of the project's expected impact. Furthermore, it must clearly state the project's rationale, objectives, expected outputs, and key activities, enabling the assessment of alternative delivery options and clarifying how the investment will address problems and opportunities to achieve its stated outcomes.

ii. **Detailed Project Demand Analysis**

A thorough demand analysis is crucial for designing a project appropriately scaled to meet both current and future service demands. This detailed analysis builds upon the initial assessment from the pre-appraisal stage and must be evidence-based to support economic and financial evaluations. It should highlight incremental demand (anticipated growth over the project's lifetime) and reflect actual projected demand, distinguishing it from mere potential demand. All underlying assumptions must be clearly stated in the analysis, with supporting evidence referenced.

Demand analysis should rely on established local and/or international official data sources, such as the National Bureau of Statistics and the Bank of Tanzania.

iii. **Establishing the Project Alternatives**

The appraisal stage reviews and refines the shortlist of project options identified in the strategic assessment of Project Concept Notes (PCNs) and Pre-Feasibility Studies (PFSs). This includes suggesting new alternatives that can achieve the proposed project's objectives, such as those involving private sector participation. The process involves comparing the life-cycle costs and benefits of each option, with the analysis period matching the expected useful life of the project assets. The shortlisted options will undergo a detailed financial and economic appraisal, considering affordability, scope, and deliverability.

iv. **Regulatory and Institutional Framework**

The investment must be based on a clear legal and institutional framework, including the implementing agency's legal mandate. The assessment should identify any legal or regulatory barriers that might affect implementation and reference all relevant policies, laws, and regulations governing the investment. This includes local content and Corporate Social Responsibility (CSR) provisions, which promote inclusive and sustainable development outcomes.

v. **Financial and Private Sector Participation Appraisal**

All projects must undergo a comprehensive financial analysis. The financial evaluation primarily aims to:

a. Assess the project's affordability, sustainability, and value for money.

b. Evaluate the feasibility of private sector participation and funding in the project.

Financially viable projects should initially consider alternative financing methods, including private sector funding. If private sector involvement is already proposed, the financial assessment will also review the proposed model for participation.

The assessment will consider:

- Revenue potential and cash flow stability.
- The contracting entity's experience with similar projects within the specified arrangement and scale.
- Actions and mitigation measures implemented to address any experience gaps of the contracting entity.
- Risk profile and allocation between public and private parties, and how this supports fiscal objectives.
- Market interest and investor appetite.
- Alignment with national development priorities.
- Clarity and relevance (SMART) of the performance measures for the PII.
- Legal and regulatory preparedness for implementing the proposed financing option.

- Potential explicit and contingent liabilities and fiscal risks related to the option, and the controls and actions implemented to mitigate them.

c. Evaluate the financial impact on the government's fiscal space for non-financially viable but economically viable projects, both during implementation and operation. This analysis determines whether the proposed project aligns with government budget caps and available resources during the budget preparation process..

For projects conducted by commercial PSCs, a financial analysis is essential. These projects must demonstrate profitability and financial sustainability compared to alternative investment options.

The financial appraisal should specify total investment costs, total operating costs, future maintenance and renewal expenses, and projected revenue streams. The implementing agency must be meticulous in estimating all project associated costs and in evaluating potential risks that could affect its viability and profitability. The financial appraisal should include a discounted cash flow (DCF) analysis of the project options, covering all annual inflows and outflows. An appropriate financial discount rate must be used to accurately compare cash flows occurring at different times. This rate is periodically determined by the NPC in consultation with MoF and the Bank of Tanzania (BoT).

The results of the financial appraisal should be presented using a standard set of key performance indicators (KPIs), including the financial internal rate of return (FIRR) and the financial net present value (FNPV).

vi. **Special Appraisal Provisions for Projects Initiating from Unsolicited Proposals**

When evaluating projects from unsolicited proposals, it is crucial to be aware of and vigilant regarding potential risks. The risks to consider when managing unsolicited proposals include:

a. **Misalignment with national priorities:** Proposals may prioritise private interests over strategic national development goals, which can lead to resource misallocation or misuse. An additional strategic assessment should be conducted.

b. **Due diligence:** Conduct comprehensive due diligence on the private party submitting an unsolicited proposal during the appraisal phase. This process ensures that the entity is credible and possesses the necessary legal mandate, financial capacity, technical expertise, and relevant experience to successfully deliver the proposed project.

c. **Fiscal risks and hidden liabilities:** Unsolicited proposals may involve resource commitments, government guarantees, or other contingent liabilities that are not adequately disclosed or assessed. As such, risk assessments for unsolicited proposals shall be subjected to enhanced scrutiny.

d. **Legal risks and challenges:** The proposed project could conflict with existing laws, regulations, or land use plans, potentially leading to legal disputes. A legal review by qualified experts is therefore recommended.

e. **Overpricing, under-pricing and inflated costs:** In the absence of competitive processes, project cost estimates can be inflated, leading to poor value for money and potential long-term financial challenges. The approach used to assess and justify project costs, projected revenues, and other financial commitments should be carefully scrutinised.

f. **Intellectual property and exclusivity claims:** The private party may claim proprietary rights over ideas, concepts, products, data, output, or exclusivity, which can complicate competitive procurement and limit government flexibility. This risk must be considered during the assessment.

g. **Weak contractual terms:** If not properly managed, unsolicited contracts may not undergo thorough review or negotiation. They may also lack clear performance standards, enforcement mechanisms, or effective risk-sharing provisions.

h. **Corruption and bribery:** The discretionary nature of unsolicited proposals may lead to potential undue influence, lobbying, or corruption.

i. **Public or political opposition and social risks:** If unsolicited proposals lack adequate initial disclosure and transparency, they can cause resistance, protests, and reputational damage.

j. **PPP Act (Cap. 103) and Regulations:** The Act and its Regulations outline a thorough process for accepting, processing, and subjecting unsolicited proposals to competition, with the power to grant exemptions exclusively vested in the Minister responsible for PPPs. During the appraisal, an evaluation must confirm that the implementing entity has adhered to all initial steps specified in the PPP framework.

vii. **Economic Appraisal**

The economic appraisal is an essential part of the PM process, used to evaluate the project's value from a societal perspective. It goes beyond financial analysis, considering the project's non-market impacts. The economic analysis comprises three phases:

a. Identifying relevant costs and benefits

b. Estimating the value of relevant costs and benefits

c. Calculating the net present value (or net present cost)

The results of the economic appraisal should be presented using a standard set of KPIs, including the economic rate of return (ERR), economic net present value (ENPV), economic benefit–cost ratio (EBCR), and economic payback period (EPP). Proposed projects that are not economically viable should not be approved or implemented.

viii. **Uncertainty and Risk Analysis**

Forecasting demand, costs, benefits, and delivery timelines is inherently challenging, as estimated values may not materialise due to uncertainty and various risks, including climate-related factors. To support informed decision-making during project appraisal, the systematic identification, analysis, and management of risks and uncertainties are essential.

The assessment should identify potential risks, verify the reliability of data and assumptions, and review the risk register, which:

a. Documents all risks, responsible parties, and mitigation strategies

b. Is maintained throughout the project lifecycle

c. Is owned by the Agency's accounting officer

d. Is updated quarterly in the e-Delivery

Box 4.1: Guidance on Concession and Risk Allocation Appraisal

For projects to be implemented through PPP arrangements or other forms of private sector participation, an assessment of the proposed concessions and the distribution of risks between the public and private sectors must be conducted to ensure the structure yields the most effective outcome for public benefit. The private party is expected to bear all financial risks associated with the project. The assessment of concessions and risk distribution assessment should be conducted in collaboration with, or by, the PPP Centre

ix. **Sensitivity Analysis**

The appraisal should include a detailed sensitivity analysis to assess the project's vulnerability to changes in key assumptions, including variations in demand, costs, growth rates, and demographic trends. The analysis should help to determine whether additional or more accurate data are required, whether project adjustments are necessary, or whether the project management capacity needs strengthening.

To guide risk management strategies, models for sensitivity analysis should be based on the following questions:

a. Are input variables correlated, which could potentially amplify or diminish effects?

b. Can diversification reduce risk?

c. Are complementary investments available to offset risks?

d. Can key variables be clarified through further research, and is the information worth the cost of investigating?

Box 4.2: Guidance on Requirement for Sensitivity Analysis

i. NPC and coordinating ministries should demand a sensitivity analysis as a key part of project appraisal.

ii. NPC should review the project's financial and economic model that generated the data for NPV calculations, evaluate the reliability of the data and assumptions used, and analyse how sensitive the outcomes are to changes.

x. Climate, Environmental, and Social Sustainability of the Project

All proposed projects shall be evaluated from a climate, environmental, and social perspective to ensure resilience, sustainability, and compliance with national policies. The evaluation shall analyse potential greenhouse gas (GHG) emissions in accordance with internationally agreed standards, resilience to climate change risks, and social sustainability considerations. The outcome shall support NPC in appraising and ranking projects according to climate and social performance, including infrastructure resilience, energy efficiency, GHG reduction, reduced traffic volumes, and increased use of renewable energy.

Key elements of appraisal shall include:

a. Climate change risk and vulnerability assessment to determine the effect of hazards on project performance, lifespan, and outcomes.

b. Integration of adaptation and mitigation strategies into project design and budgets.

c. Scenario analysis using climate projections to test resilience under different future conditions.

d. Environmental and social impact assessment with emphasis on climate-related issues and compliance with national and international frameworks.

e. Programme Alignment with national climate commitments, including the National Climate Change Response Strategy (NCCRS), National Adaptation Programme of Actions (NAPA), National Adaptation Plans (NAPs), and Nationally Determined Contributions (NDCs), and social sustainability appraisal shall cover:

f. Analysis of impacts on communities, with attention to gender and vulnerable groups.

g. Identification of risks of displacement or relocation.

h. Clear plans for engaging affected communities and stakeholders.

To ensure consistency and comparability across sectors, NPC shall apply standardised screening indicators with thresholds at the appraisal stage, as set out in **Table 4.2.** These indicators, derived from NCCRS/NDC, shall include climate-adjusted NPV parameters. Any project with a negative climate-adjusted NPV may trigger redesign or rejection.

Table 4.2: *Climate and Social Screening Indicators*

Indicator	Definition / Measurement	Screening Thresholds
GHG Impact	Net annual greenhouse gas emissions or reductions (tCO_2e/year) attributable to the project	High >25,000; Medium 10,000–25,000; Low <10,000
Resilience Index	Composite score adapted from national resilience frameworks (ecosystem health, water availability, livelihood diversity, disaster preparedness)	High ≥0.7; Medium 0.4–0.7; Low <0.4
Gender Impact	Proportion of women and vulnerable groups affected (positively or negatively) and extent of inclusion in benefits/decision-making	High ≥40% affected; Medium 20–40%; Low <20%
Livelihood Impact	Percentage of households experiencing income or livelihood change due to the project	High ≥30%; Medium 10–30%; Low <10%
Health and Safety	Community exposure to pollutants, hazards, or displacement risks	High = widespread/long-term; Medium = localised/short-term; Low = minimal risk

xi. Assess Project Implementation Arrangements, Monitoring and Evaluation

Successful and timely project delivery hinges on early planning of implementation arrangements. During appraisal, it is crucial to evaluate implementation plans and timelines, the implementing agency's institutional and managerial capacity, and commercial and contract management arrangements. This early assessment facilitates proactive identification and mitigation of delivery risks, realistic scheduling, and smoother project execution.

To fulfil the NPC's legal mandate, an approach of "connected thinking and coordinated execution" must be adopted. This involves breaking down institutional silos and fostering stakeholder collaboration by aligning the proposed project with other existing or planned initiatives. Such alignment ensures interoperability, complementarity, and strategic consistency, thereby preventing duplication of effort and misuse of public resources.

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Furthermore, the proposed project's monitoring and evaluation plan should be reviewed at this stage. It should establish KPIs aligned with its objectives and outline mechanisms for data collection, reporting, and review throughout the project lifecycle, thus encouraging continuous improvement and accountability.

xii. **Determine the Preferred Project Option and Provide Recommendations**

The selection of a preferred project option must be supported by sufficient evidence, enabling decision-makers to scrutinise the analysis and its underlying assumptions. While the preferred option typically exhibits the highest Net Present Value (NPV), exceptions may arise when qualitative or non-quantifiable factors hold significant weight. In such instances, the rationale for deviating from the quantitative result must be explicitly explained.

Where budget constraints exist, the optimal option is that which maximises benefits within the available funds. Selection should consider key factors such as NPV, Benefit-Cost Ratio (BCR), and associated risks. Alternatively, if appropriate, the option with the lowest Net Present Social Cost (NPSC)may be selected.

4.3.1 Readiness of Project

For a project to be deemed ready for implementation, the implementing entity must fulfil and document the following conditions.

a. **Land ownership and availability**

- The land required for the project must be owned or legally secured by the implementing entity.
- A certified copy of the title deed or other legally recognised ownership or tenure document must be submitted.

b. **Compensation and resettlement plan**

- Where land acquisition impacts communities or individuals, a compensation plan and, where necessary, a resettlement action plan must be prepared, budgeted, and shared prior to implementation.

c. **Technical and design readiness**

- Completed feasibility studies, detailed designs, and Environmental and Social Impact assessments (ESIAs), where applicable.
- Necessary approvals and permits must have been obtained from the relevant authorities.

d. **Financial readiness**

- Confirmed financing arrangements, including budget allocations, cash flow projections, and, where applicable, external funding agreements (loans, grants, green financing, PPPs).

e. **Institutional and operational readiness**

- Availability of a functional implementation team, whether in-house or contracted.
- Procurement plans prepared in accordance with the Public Procurement Act.
- A clear governance and coordination framework for project management.

Only projects that meet these conditions will be evaluated and considered for implementation.

Project Appraisal Scoring Guide

This appraisal matrix operationalises the Guideline by translating the mandatory appraisal criteria into a weighted scoring tool, ensuring transparent application by the NPC, Line Ministries, OTR, RSs, LGAs, and the Implementing Agency. The total score is 100 points, with each criterion weighted equally.

Table 4.3: *Project Appraisal Scoring Guide*

SN	Assessment Criteria	Assessment Question	Scoring Guide (Points)
1.	Strategic Alignment	Is the project clearly aligned with Dira 2050, LTPP, FYDPs, Sector Plans, and national, regional, and internal priorities?	1 = No alignment 2 = Weak alignment 3 = Partial alignment 4 = Strong alignment 5 = Fully aligned
2.	Development Impact	Will the project generate significant socio-economic benefits such as jobs, growth, equity, and regional balance?	1 = No impact 2 = Marginal impact 3 = Moderate impact 4 = High impact 5 = Transformational impact

SN	Assessment Criteria	Assessment Question	Scoring Guide (Points)
3.	Economic Viability	Does the project demonstrate positive economic returns based on NPV, EIRR, BCR, and externalities?	1 = Negative returns 2 = Marginal viability 3 = Acceptable viability 4 = Strong viability 5 = Very strong viability
4.	Financial Viability	Is the project financially viable, with a positive FIRR, sustainable cash flows, and affordable O&M costs throughout its lifecycle, and remain affordable within the Government's fiscal space constraints?	1 = Unsustainable 2 = High subsidies required 3 = Manageable support 4 = Mostly self-sustaining 5 = Fully self-sustaining
5.	Value for Money	Does the project provide the most efficient option compared to alternatives over its lifecycle?	1 = Low value 2 = Marginal value 3 = Acceptable value 4 = High value 5 = Significant Value
6.	Private Sector Participation	Does the project meet the suitability requirements for private sector participation, including PPP or other alternative financing mechanisms, by demonstrating value for money and affordability	1 = No participation 2 = Debt/Loans only 3 = Capital (Equity) <50% 4 = Capital (Equity) 50–85% 5 = Capital (Equity) >85%
7.	Climate Change Resilience	Does the project enhance resilience to climate change risks and align with NDC and NCCRS commitments?	1 = No contribution 2 = Marginal contribution 3 = Acceptable contribution 4 = Strong contribution 5 = Significant contribution

SN	Assessment Criteria	Assessment Question	Scoring Guide (Points)
8.	Environmental & Social Safeguards	Has the project complied with ESIA requirements and addressed environmental and social risks?	1 = non-compliant 2 = Major gaps 3 = Partial compliance 4 = Largely compliant 5 = Fully compliant
9.	Technical Feasibility	Is the project technically sound with appropriate design standards and technology?	1 = Conceptual only 2 = Major technical gaps 3 = Technically feasible 4 = Strong technical basis 5 = Fully proven
10.	Implementation Readiness	How soon can the project realistically commence implementation?	Yes Ready = Go Not Ready = No Go
11.	Institutional Capacity & Governance	Does the implementing agency have adequate capacity, systems, and coordination mechanisms?	1 = Very weak capacity 2 = Weak capacity 3 = Adequate capacity 4 = Strong capacity 5 = Proven capacity
12.	Risk Assessment & Mitigation	Have key risks been identified, allocated, and mitigated appropriately?	1 = High unmanaged risks 2 = Weak mitigation 3 = Moderate mitigation 4 = Strong mitigation 5 = Risks well managed

SN	Assessment Criteria	Assessment Question	Scoring Guide (Points)
13.	Monitoring, Evaluation & Learning (MEL)	Does the project have a robust M&E framework with clear indicators, baselines, targets, reporting arrangements, institutional responsibilities, and integration with e-Delivery, in line with the Guideline requirements	1 = No M&E framework or indicators 2 = Weak M&E framework; unclear or non-measurable indicators 3 = Basic M&E framework with indicators and reporting, but weak baselines or responsibilities 4 = Strong M&E framework with clear results chain, indicators, baselines, targets, and reporting roles 5 = Comprehensive M&E system fully aligned with the Guideline, integrated into e-Delivery, including mid-term and ex-post evaluation plans
14.	Sustainability (O&M and Lifecycle)	Will the project remain financially and operationally sustainable throughout its lifecycle?	1 = High long-term burden 2 = Moderate burden 3 = Manageable burden 4 = Low burden 5 = No significant burden

4.4 PROJECT APPRAISAL METHODOLOGIES

The choice of appraisal methodology depends on the type, size, and complexity of the project and should follow sectoral guidance and the Guideline. Combining different methods is often the most effective approach to thoroughly evaluate a project. Depending on the situation, these may include CBA, cost–effectiveness analysis (CEA), break-even analysis (BEA), least-cost analysis (LCA), and multi-criteria analysis (MCA), among others, to ensure strong, evidence-based decision-making.

4.4.1 Cost–Benefit Analysis (CBA)

Cost–benefit analysis involves identifying and quantifying the relevant costs and benefits of a project, then calculating key performance indicators such as net present value (or net present cost), benefit–cost ratio (BCR), internal rate of return (IRR), and conducting risk analysis.

For effective CBA, all relevant costs and benefits, both tangible and intangible, should be identified. Since projects aim to serve the public interest, it is recommended to consider broader indicators of effectiveness that are less quantifiable and harder to monetise. CBA requires reliable underlying assumptions and data, which should be accompanied by critical judgment and thorough analysis to avoid common pitfalls, including:

- Underestimating costs, some projects end up costing much more than expected.
- Lack of thorough options analysis, including the absence of a definition for the counterfactual.
- Double counting of benefits.
- Insufficient sensitivity analysis.

4.4.2 Identifying and Valuing Costs

The following factors should be considered when identifying and estimating costs.

i. i.The cost should reflect the best alternative uses of public funds or opportunity costs.

ii. ii. Project costs should be projected in real terms throughout the entire lifecycle of the project, especially as the scope and assumptions become clearer during the appraisal phase and tender preparation.

iii. Cost estimates should be based on current market rates, recent comparable projects, and adjusted for inflation and risks from similar past projects.

iv. The calculation of cost should be based on a marginal basis rather than an average basis, meaning costs specifically attributable to incremental project outputs.

v. Include both capital and operating costs, along with negative externalities like pollution. Exclude depreciation, which is an accounting allocation, to avoid double-counting.

In cases of market failure, where estimated prices do not reflect true opportunity costs, shadow pricing must be used and justified in line with international practices. Common areas requiring shadow pricing include:

i. Labour inputs adjusted for skill level, location, and seasonality.

ii. Public funds adjusted using a shadow price to reflect taxation-related distortions.

iii. Tradables, valued at border (FOB) prices.

iv. Non-tradables with tax or subsidy distortions, which require appropriate adjustment to reflect their true economic value.

4.4.3 Identifying and Valuing Benefits

Unlike costs, the full benefits of a project are often harder to identify and measure. Project appraisal should encompass both direct and indirect benefits. These may include reductions in mortality, healthcare costs, accidents, travel time, environmental emissions, and operating and maintenance expenses, alongside improvements in employment, water quality, and scenic value. Where markets exist, benefit valuation should be based on individuals' willingness to pay. In cases where markets do not exist, alternative methods should be employed, such as contingent valuation (stated preference), or hedonic pricing and travel cost analysis (revealed preference). If measuring a specific benefit is not cost-effective, a well-supported qualitative assessment must be provided.

Externalities affecting third parties that are not reflected in market prices must also be considered. These external effects, whether beneficial or harmful, should be incorporated into the economic analysis to accurately reflect the project's societal benefits and costs. Examples include positive externalities, such as increased local business activity from tourism infrastructure, and negative externalities, such as pollution and congestion. Only those externalities that are significant and can be reliably valued using established methods should be included in the quantitative cost-benefit analysis (CBA) model. For instance, in a rail project, noise pollution (a negative externality) and reduced carbon emissions (a positive externality) may both be considered. For externalities that cannot be monetised, a qualitative assessment must be provided to ensure they are factored into decision-making.

Box 4.3: Guidance on Adjustment for Externalities and Market Distortions

i. The NPC and coordinating line ministries should base their decisions on financial and economic costs and benefits, taking into account externalities and market distortions.

ii. Therefore, the NPC must require a thorough CBA that provides the most accurate estimates of socio-economic costs and benefits.

4.4.4 Present Values and Discounting Factor

A. Selection of Discounting Factor

As capital project costs are typically incurred early and benefits are realised over time, a higher discount rate reduces the present value of future benefits, often making long-term projects appear less feasible. To ensure consistency and prevent manipulation of results, the Guideline mandates the use of a common discount rate across all project appraisals. This standardised rate enhances the comparability of investments and discourages arbitrary adjustments aimed at influencing NPV outcomes.

Box 4.4: Guidance on Choice of Discounting Factor

i. **Fully Public-Funded projects:** For projects entirely funded by public resources, the MoF, in consultation with the BoT and the NPC, will establish a standard discount rate. This rate should remain stable, be shielded from short-term market fluctuations and be reviewed periodically as necessary.

ii. **Use of DSA Rate:** Unless otherwise justified, project appraisals must utilise the interest rate from the Debt Sustainability Analysis (DSA), adjusted for currency. All proposals must adhere to the rate set by the MoF.

iii. **Projects Involving Private Finance:** For projects involving private sector financing, such as PPPs, the discount rate should reflect both debt and equity costs, using a Weighted Average Cost of Capital (WACC). The MoF will provide technical guidance for estimating this rate.

B. Analysing the Shortlisted Options

Once costs and benefits have been identified, quantified, and discounting factors determined, several methods can be employed to compare shortlisted options, including Net Present Value (NPV), Benefit–Cost Ratio (BCR), and Internal Rate of Return (IRR).

i. Net Present Value (NPV)

Net Present Value (NPV) indicates the difference between the current value of expected cash inflows and outflows over a project's expected lifespan. It offers a measure of an investment's overall economic contribution. The NPV can be negative, zero, or positive, depending on the balance between estimated costs and benefits. Assuming all relevant cost and benefit streams are accurately captured, the decision rules in **Table 4.4** apply:

Table 4.4: *Interpretation of the NPV Calculation Results*

Scenario	Appraisal Decision
Project = Negative NPV (< 0)	The project's costs exceed its benefits, making it unlikely that the investment costs will be recovered. Projects with a negative NPV should not be undertaken.
Project = Zero NPV	There is no net gain or loss to society. Such projects would only recover their costs and should not be undertaken.
project = Positive NPV (> 0)	The project's benefits exceed its costs. These projects should be prioritised, especially those with the highest NPV values.

ii. Benefit–Cost Ratio (BCR)

The Benefit–Cost Ratio (BCR) is the ratio of discounted benefits to discounted costs and is used to demonstrate investment profitability and overall value for money. A ratio greater than 1 indicates that the project's benefits outweigh costs, and the project may be approved. However, a positive BCR alone does not guarantee approval, as other factors, such as affordability constraints, strategic alignment, and qualitative considerations, also influence the decision. Despite its limitations, the BCR remains a useful tool for ranking and comparing multiple projects, especially in situations where fiscal constraints are tight and prioritisation is necessary.

iii. Internal Rate of Return (IRR)

The IRR is the discount rate that equalises the present value of benefits and costs. It represents the highest interest rate a project can pay for resources while still covering initial and ongoing expenses and breaking even. When multiple IRRs occur because of changing cash flow signs, the Modified Internal Rate of Return (MIRR) is used. This method adjusts cash flows before calculating IRR, solving the ambiguity and providing a single IRR.

Projects should be rejected if their IRR falls below the opportunity cost of capital, as they would not generate sufficient economic value relative to alternative uses of resources. Among viable projects, those with the highest IRR should be selected, provided their return exceeds the required threshold.

4.4.5 Cost–Effectiveness Analysis (CEA)

Cost–effectiveness analysis (CEA) is particularly useful when project benefits are difficult to quantify financially, especially for public sector initiatives aiming to fulfil social policy objectives such as public healthcare, education, and security. CEA evaluates the efficiency of an intervention in achieving its intended non-monetary benefits.

Implementing agencies can utilise this mechanism in various ways to compare the cost impacts of projects against alternative options or the status quo (i.e., the do-nothing scenario). The recommended formula for the cost-effectiveness ratio is based on the net cost of an intervention per unit of its effect on the economy or society.

Key Formulas:

a. **Calculating Net Cost** = (Cost of implementing the initiative) – (Social/productivity cost averted)

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b. **Cost–Effectiveness Ratio** = (Net Cost) ÷ (Changes in non-monetary outcome)

Hypothetical Example:

For example, when implementing a traffic light programme, net cost savings can be calculated as shown in **Table 4.5**

Table 4.5: *Calculating Net Cost Savings*

Item	Value
Cost of implementation of the traffic light programme	27 billion TZS
Social/productivity costs averted (Estimated cost of traffic delays and traffic accidents averted)	150 billion TZS
Estimated number of traffic accidents avoided	40,000
Net costs (negative value means cost savings, as the cost of the project is lower than the prevented social cost)	−123 billion TZS

Since: Cost–Effectiveness Ratio

= (Net Cost) ÷ (Change in Outcome)

Then: TZS 123 billion ÷ 40,000 Accidents Avoided

= **TZS 3,075,000** Saved/Accident Avoided

CEA compares the cost impacts of various interventions that affect the same non-monetary outcome to identify which option achieves the desired goal most efficiently. This approach helps the implementing agency demonstrate that the proposed project is the least-cost method to achieve a specific outcome while maximising non-monetary benefits.

4.5 PROJECT FEASIBILITY STUDY AND DETAILED PROPOSAL REQUIREMENTS

The Feasibility Study (for infrastructure projects) and the Detailed Proposal (for non-infrastructure projects) are essential documents that evaluate whether a proposed project meets the established financial, economic, and social investment criteria. A key principle in preparing FSs and Detailed Proposals is independence. The process must be conducted objectively and without conflicts of interest. Specifically, these documents must not be prepared by any potential contractor or financier. Implementing agencies are required to prepare these project documents and to include their preparation costs in their annual budget after receiving NPC's approval to proceed.

The content of an FS or Detailed Proposal varies depending on the project's nature and complexity. However, the typical structure remains largely consistent across sectors and is summarised in **Table 4.6.**

Table 4.6: *Project Document Requirement*

Type of Project Document	Content
Feasibility Study	1. Executive summary 2. Introduction 3. Project Objectives, Scope, and Rationale 4. Project Alternatives Examined 5. Market Assessment and Demand Analysis 6. Technical Feasibility 7. Financial Analysis and Feasibility 8. Private Sector Involvement Review 9. Economic Feasibility 10. Risk Analysis and Management: – Financial Risks – Operational Risks – Legal and Regulatory Risks – climate change risk – Technical Risks – Political and Governance Risk – Market Risks 11. Sensitivity Analysis** 12. Environmental and Social Impacts Assessment 13. Implementation and Operational Plans 14. Projects proposed for PPP shall include additional contents as prescribed by PPP Act, Cap 103 15. Conclusion

Type of Project Document	Content
Detailed Proposal	1. Project Summary & Implementation Arrangements 2. Background of the project 3. Proposal Description 4. Cost Estimation Breakdown (Total Cost) 5. Risk Analysis and Management: – Financial Risks – Operational Risks – Legal and Regulatory Risks – climate change risk – Technical Risks – Political and Governance Risks – Market Risks 6. Sensitivity Analysis** 7. Private Sector Involvement Proposal 8. Projects proposed for PPP shall include additional contents as prescribed by PPP Act, Cap 103 9. Project Sustainability
Business Plans	1. Executive Summary 2. Project Background and Rationale 3. Project Description 4. Market or Sector Analysis 5. Technical Feasibility 6. Organisation and Management Plan 7. Financial Plan 8. Risk Analysis and Management: – Financial Risks – Operational Risks – Legal and Regulatory Risks – Climate change risk

Type of Project Document	Content
	– Technical Risks – Political and Governance Risks – Market Risks 9. Sensitivity Analysis** 10. Private Sector Participation Plan 11. Projects proposed for PPP shall include additional contents as prescribed by Regulation 15 of the PPP Regulations, 2020 12. Economic and Social Justification 13. Monitoring and Evaluation Plan 14. Legal and Regulatory Considerations

** **Note:** Sensitivity analysis must simulate how changes in key project parameters affect the overall project's performance. These simulations should implement predefined shocks to the base case scenario, as outlined in **Table 4.7**, with parameters guided by internationally recognised APMG standards.

Table 4.7: *Project Sensitivity Analysis Guide*

Metric to be Assessed	Unit	Base Case (As per Proposal)	Downside Risk (Conservative)	Upside (Optimistic)
Variation in Construction Costs	Amount	As per proposal	20% increase	10% cost savings
Delays in Completion	Months	As per proposal	12-month delay	6-month earlier completion
Variation in Demand (Revenue)	Amount	As per proposal	25% decrease	10% increase
Variation in Operational Costs	Amount	As per proposal	15% increase	5% savings
Variation in Interest Rate	Interest Rate	As per proposal	2% increase	2% decrease
Variation in Exchange Rate	USD/TZS	As per proposal	15% increase	5% decrease

Box 4.6: Guidance on Feasibility Study Requirements

i. Projects involving unconventional procurement methods, such as PPPs or bundled "resources for infrastructure" arrangements, must undergo the same evaluation process as traditional projects. Their costs and benefits should be assessed against a public sector comparator.

ii. Implementing agencies must review the feasibility studies of pipeline projects at least once every three years.

iii. Feasibility studies for PPP-related projects must follow the structure and content specified in the PPP Act, Cap. 103 (Revised Edition 2023) and the PPP Regulations, 2020 (specifically Regulation 15, as annexed in Schedule 1C). Other projects should adhere to the structure outlined in the table above.

iv. Feasibility studies for road sector projects must follow the methodologies, structure, and appraisal standards outlined in the TANROADS Investment Appraisal Manual (2015).

4.6 APPRAISAL REVIEW AND TRANSFER TO PROJECT PIPELINE

Project proposals, specifically those exceeding TZS 50 billion, are subject to formal review by the PM NPC Technical Team. This review applies the appraisal criteria outlined in Section 4.3 of this Guide, assessing whether a preferred implementation option exists, if the project is viable, if it needs revisions, or if it should be rejected.

The findings are submitted to the Project Management NPC Executive Team, which independently reviews the technical recommendations and makes the final decision. The PIMSC may approve the project for inclusion in the upcoming fiscal budget, request revisions, or exclude the proposal from budget planning. The selection criteria for budget inclusion are outlined in the next chapter, Project Prioritisation and Financing.

As part of the review process, a standardised scoring system will be used to evaluate and compare projects under consideration for budget allocation. This involves a Yes-or-No checklist, developed by NPC, to assess each proposal against key appraisal criteria.

Projects receiving more than 70 percent affirmative responses (with the final threshold to be confirmed) will be considered eligible for inclusion in the prioritisation pipeline. In accordance with project planning procedures outlined in earlier chapters, NPC compiles a central list of proposed projects submitted by implementing agencies. These are recorded in the National e-Delivery, which tracks the status of pipeline investments through the various stages of the planning process.

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Project Prioritization & Financing

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5.1 OVERVIEW

This chapter defines the process for prioritising projects after appraisal to guide funding and implementation decisions. Through an annual, structured exercise, projects are ranked according to fiscal constraints and their strategic, economic, and social returns, thereby optimising the allocation of limited public resources. It further underscores compliance with PM approval requirements at the identification, concept, and appraisal stages, ensuring that only qualified projects advance to budget approval.

The chapter also offers guidance on exploring alternative funding sources to fill financing gaps, improving efficiency, setting project budget limits, developing action plans, and managing cash flow. This ensures effective resource use and successful implementation, thereby promoting sustainable development outcomes.

To strengthen the integrity of the prioritisation process, NPC will ensure that transparency, accountability, and stakeholder engagement are integral throughout. The prioritisation criteria will be published and discussed with relevant stakeholders to improve the investment selection process.

NPC will be responsible for designing and updating the Performance Scorecard. To improve the monitoring of key initiatives, scorecards for Flagship Programmes will be reviewed and updated monthly, while those for other Strategic Projects will be reviewed and updated quarterly, ensuring ongoing alignment with national priorities and performance expectations..

5.2 PRIORITISATION OF PROJECTS

At this stage, only projects that have successfully completed the required appraisal processes are eligible for consideration. The prioritisation exercise applies transparent and objective criteria to rank competing proposals, thereby supporting evidence-based decision-making and ensuring alignment with national development priorities, fiscal realities, and implementation readiness.

5.2.1 Prioritisation Criteria

Projects will be assessed using broad criteria aimed at addressing resource limitations by prioritising those that offer the highest returns and a multiplier effect on the economy. The criteria include:

i. **Strategic importance,** as reflected in NDPs and ministerial strategic priorities:

   - Explicit reference in National Development Plans
   - Alignment with sectoral strategic plans
   - Classification as a Flagship Programme by NPC or Cabinet

ii. **Economic and social impact,** including:

   - Expected number of jobs created
   - Contribution to GDP growth or `other macroeconomic indicators
   - Impact on reducing poverty and improving access to social services
   - Number of direct and indirect beneficiaries

iii. **Value for money,** demonstrated by:

   - Results of a cost-benefit analysis or similar return metrics
   - Comparative value-for-money analysis between private sector participation and government-only implementation
   - Efficiency improvements or cost reductions compared to alternatives

iv. **Fiscal impact,** including:

   - Long-term and short-term budgetary implications (e.g. operational and maintenance costs)
   - Lower fiscal support demand compared to other projects delivering similar outputs
   - Alignment with MTEF ceilings
   - Risk of contingent liabilities

v. **Access to alternative funding:**

- Availability of non-traditional and innovative source of financing
- Level of private sector interest or commitment
- Expected revenue generation or cost recovery
- Level of risk assumed by the private sector
- Potential for generating carbon credit

vi. **Readiness for implementation, such as:**

- Completion of detailed design and feasibility studies
- Status of land acquisition and resettlement plans
- Legal and regulatory compliance
- Availability of implementing agency capacity
- Procurement readiness
- Confirmation by private partner (for PPPs)

vii. **Environmental, social and climate smart, including:**

- Environmental and social impact assessments
- Contribution to climate change mitigation and adaptation
- Alignment with national environmental standards
- Integration of green infrastructure elements
- Reducing environmental degradation and emissions
- Positive impact on ecosystem services, biodiversity, and Nature-Based Solutions

Box 5.1: Guidance on Prioritisation

i. A scorecard has been created to prioritise projects, including the criteria above.

ii. Scorecards for Flagship Programmes will be reviewed each month, and for Strategic Projects, quarterly.

iii. Prioritised projects must be included in the Annual Development Plans (ADPs).

iv. Pipeline projects not listed in the ADP will be returned to the pipeline pool.

5.2.2 Project Scoring, Approval, and Integration with the Annual Development Plans (ADP)

Projects will be scored and ranked annually to contextualise each project's expected impact against others in the pipeline. The resulting list, categorised as green, yellow, or red, will be submitted to the NPC Executive Team for review and approval. This structured process ensures that only high-impact, financially viable projects are included in the ADP, thereby optimising resource allocation and supporting the national development agenda. A standardised scoring guide has been created to maintain consistent assessment and ranking, as outlined in **Table 5.1.**

Table 5.1: *Project Prioritisation Scoring Guide*

SN	Assessment	Assessment Question	Scoring Guide (Points)
1.	Strategic significance of the project	Is this project of significant strategic importance to the government?	1 = Not relevant 2 = Slight relevance 3 = Moderate relevance 4 = High relevance 5 = Critical strategic importance
2.	Alignment with the implementing agency's current Strategic Plan and sectoral development plans.	Is this project aligned with the implementing agency's current SP and/or sectoral development plans?	1 = No alignment 2 = Minimal alignment 3 = Partial alignment 4 = Strong alignment 5 = Fully aligned with both Agency SP and Sectoral plans
3.	Project VfM (Measured by CBR, CEA, or other acceptable financial model)	Compared to similar projects in the pipeline and ongoing implementation, is this project considered a good value for money and an effective use of public funds?	1 = Low value 2 = Marginal value 3 = Acceptable value 4 = High value 5 = Significant Value

SN	Assessment	Assessment Question	Scoring Guide (Points)
4.	Project sustainability (Long- and short-term financial burden)	Will the project incur significant operational and maintenance costs for the government after implementation?	1 = High long-term burden 2 = Moderate burden 3 = Manageable burden 4 = Low burden 5 = No significant burden
5.	Participation of the Private Sector in the project	To what extent will the private sector participate in implementing the project?	1 = No participation 2 = Debt/Loans only 3 = Capital (Equity) <50% 4 = Capital (Equity) 50–85% 5 = Capital (Equity) >85%
6.	Contribution to the Nation's climate change resilience	Does the project improve the country's resilience to climate change risks?	1 = No Contribution 2 = Marginal Contribution 3 = Acceptable Contribution 4 = Strong Contribution 5 = Significant Contribution
7.	Project's readiness to proceed with implementation	Using the readiness criteria, Is the Project ready for implementation, including all the processes involved?	Yes Ready = Go Not Ready = No Go
8.	Economic and Social Impact of the project	To what extent will the project directly benefit society and the economy through job creation, social services, infrastructure, market access, and other advantages?	1 = No Contribution 2 = Marginal Contribution 3 = Acceptable Contribution 4 = Strong Contribution 5 = Significant Contribution

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Weighting: All criteria have been assigned equal weight to ensure equal recognition of each assessment's importance, eliminate subjectivity, and maintain simplicity.

Score Ranking: Scores for each assessment criterion are summed to determine the total score for each project. Based on the result, each assessed project is categorised as "Green," "Yellow," or "Red" using the following score range:

Project Priority Categorisation Based on Project Prioritisation Score			
Total Score Range	**8 -19**	**20 - 27**	**28 - 40**
Category	**RED**	**YELLOW**	**GREEN**

Priority	Ready	Needs Preparation
High	**Decision:** Add to ADP	**Decision:** Provide targeted support for future budget cycles.
Low	**Decision:** Discuss based on resource availability or retain in the pipeline.	**Decision:** Return to Pipeline

Projects not selected for inclusion in the ADP will be returned to the prioritisation pool, retaining their established priority order (green, yellow, or red) as defined by NPC's prioritisation criteria. This ensures they remain available for future consideration without disrupting the structured prioritisation process.

Yellow-category projects, high priority but not yet ready for implementation, may receive targeted support to address identified gaps and enhance their readiness for future budget cycles. Red-category projects, ready but lower priority, will remain in the pipeline for potential re-evaluation should strategic priorities shift or additional resources become available.

5.3 INTEGRATING PROJECTS INTO THE FINANCING PROCESS

Once projects are prioritised and endorsed by the NPC Executive Team, approved projects undergo a detailed budget review. This review ensures they fit within available funds and align with implementation plans. Led by NPC in collaboration with the MoF, this review confirms that each project has adequate funding based on its cost estimates, timelines, and expected deliverables as listed in its project plans. The process assesses the fiscal space in the national budget, ensuring that prioritised projects are sufficiently funded without compromising other essential expenditures.

This step is crucial for managing limited financial resources, ensuring that only projects with feasible funding are included in the National ADP. The MoF also reviews externally financed projects to verify their alignment with donor disbursement schedules and adherence to the Partnership Framework for Effective Development Cooperation, thereby promoting fiscal discipline and efficient resource utilisation.

To improve funding strategies and reduce reliance on public resources, technical teams explore various alternative financing options during the budget review process. These teams include specialists from NPC, MoF, and other relevant MDAs, RSs, LGAs, and SoEs, who assess the feasibility of financing pipeline projects using innovative methods such as PPPs, JVs and various climate financing models, including green financing. Priority is given to projects with strong private-sector interest, as these can attract private investment to ease fiscal pressure while boosting efficiency and sustainability.

Box 5.2: Guidance on Project Financing Process

i. The NPC Executive Team shall approve NPC prioritised projects.

ii. The NPC Executive Team shall include invited members from the MoF, and other relevant bodies, depending on the financing modality.

iii. Teams are responsible for investigating all alternative financing options.

iv. Projects with private sector interest will be prioritised.

Projects not included in the budget, despite prioritisation, will be returned to the pipeline.

Projects not prioritised during the budget review stage are systematically returned to the prioritised pool, retaining their position within the established priority levels (green, yellow or red) as defined by NPC's prioritisation criteria. This method ensures that non-prioritised projects remain eligible for future consideration without disrupting the structured pipeline management process. NPC and MoF shall ensure that prioritised projects align with the MTEF ceilings

5.3.1 Cashflow Planning and Fund Disbursement for Projects

Accounting Officers must submit a progress report, a cash flow forecast, and an action plan for their respective projects. These submissions form the primary basis for fund release. Disbursements will be made according to the verified progress of work, as evidenced by Payment Certificates (PCs) approved by the consultant or other designated authority. For projects undertaken by in-house teams, funds will be released upon submission of the action plan, cash flow forecast, and a readiness commitment confirming the project's readiness for implementation. Once disbursed, funds must be used promptly and solely for the activities outlined in the plan.

5.4 GUIDE TO ALTERNATIVE FINANCING OPTIONS FOR THE PROJECT

Alternative financing arrangements are expected to play a larger role in future project implementation. Implementing entities should explore options such as PPPs in various forms, including service contracts, management contracts, Build-Operate-Transfer (BOT), and other financial tools. When considering these options, entities must follow the key procedural, legal, and strategic guidelines outlined below. These considerations aim to support informed decision-making during the early phases of project preparation, such as conception, design, and pre-feasibility analysis.

5.4.1 Public-Private Partnership (PPP)

Implementing all viable projects in partnership with the private sector is a government priority. When working with the private sector on projects, implementing entities should consider the following:

a. **Key considerations for the partnership itself:**

- Risk identification and allocation: Comprehensive risk assessment and a clear, robust risk distribution framework between the public and private parties form the foundation of a successful PPP.
- Each party should be assigned the risk it is best equipped to handle and manage.

- Clear contractual agreements and contingency plans are essential.
- The PPP must demonstrate that it will produce better results than traditional project implementation models.

b. **All proposed PPP Projects must undergo the same process and scrutiny as other Projects,** including appraisal, approval, prioritisation, monitoring, and evaluation, as outlined by the NPC in this Guide.

c. All PPP projects' processing, procurement, and implementation must comply with the PPP Act and Regulations.

d. **A PPP should not only relieve the fiscal burden;** It should also provide additional value through enhanced efficiency, access to advanced technology, innovation, high-quality outputs, improved service standards, and better maintenance and repairs.

5.4.2 Capital Market Financing

Capital markets provide access to financing through debt or equity, representing either a repayable liability or ownership interests. Implementing entities can utilise the capital market to raise funds for project implementation. Raising funds via debt is done through bond issuance, while raising equity involves issuing shares.

When raising funds through capital markets using either of these instruments, the following must be observed:

i. **Raising funds through bond issuance:**

a. Projects proposed for financing through bond issuance must have clear activities and cash flows that can be isolated and ring-fenced within the financing structure to support the issuance and subsequent repayment obligations.

b. Alternatively, a Special Purpose Vehicle (SPV) can be created to isolate the risks and responsibilities of the proposed project from the implementing entity.

c. All projects proposed for bond financing must go through the same process and scrutiny as other projects, including appraisal, approval, prioritisation, monitoring, and evaluation, as outlined by NPC.

d. The bond issuance process is overseen by the Capital Markets and Securities Authority (CMSA). Implementing entities must thoroughly understand the rules, requirements, and implications of bond issuance, including the need to engage transaction advisors.e) Procurement of transaction advisory services for bond issuance must adhere to a competitive procurement process.

e. For Green or Climate Bonds, proceeds shall be applied only to eligible green or climate-related projects, which shall additionally comply with applicable green or climate bond frameworks, standards, or taxonomies, including environmental and social safeguards.

ii. **Raising funds through share issuance:**

a. Share issuance is a complex process that involves diluting ownership and control of the proposed project. Implementing entities should fully understand the risks and implications before opting for this financing method.

b. Concept notes and pre-feasibility studies must demonstrate the implementing entities' competence and readiness to utilise this financing method. The competence and track record of the promoter are key factors in attracting equity investors.

c. Investor appetite must be evaluated against project risks to determine if it can cover the targeted amount.

d. Share issuance requires a separate entity or SPV to own and operate the proposed project. Assets designated for transfer to the SPV must be clearly identified, and their valuation must be performed by a qualified authority.

e. Requirements (b) through (d) under point (i) above also apply to projects proposed for financing via share issuance.

5.4.3 Using the Project Finance Model to Implement Projects

Both government and private-funded projects can be implemented using the Project Finance Model. Project financing is a specialised funding structure in which the repayment of the debt/funds used to finance the project is dependent on the cash flows generated by the project itself, rather than the balance sheet of the implementing entity. This model isolates the project from the general financial obligations of the implementing public institution.

Projects financed through project finance typically involve the establishment of a Special Purpose Vehicle (SPV), which is responsible for managing contracts, revenues, and risks independently from the implementing public entity. Under this model, lenders rely primarily on the project's cash flows for debt repayment, with limited or no recourse to the assets of the implementing entity. Adopting this approach provides several advantages:

- Facilitates Private Sector Participation: Makes mobilisation of funding from private sources through debt, equity, or PPP easier.
- Reduces Fiscal Burden: Offers off-balance sheet financing, minimising pressure on the government budget.
- Enhances Operational Efficiency: Isolates the project from potential inefficiencies within the implementing entity, ensuring focused operations and management.
- Improves Monitoring, Oversight, and Accountability.

5.4.4 Next Steps for Alternative Financing

a. **PPP Implementation:** The prioritised projects proposed for PPP will be sent to the PPP Centre via e-Delivery for further analysis and approval by the PPP Steering Committee, in line with the PPP Act, Cap 103. The implementing agency will be notified accordingly.

b. **Capital Market Financing:** Prioritised projects proposed for equity or bond issuance will be sent to the MoF for technical guidance and the allocation of government budget contributions (if applicable). The implementing agency will be notified accordingly.

Box 5.3: Guidance on Project Budget Ceiling

i. The NPC will oversee the process of allocating the development budget to prioritised and ongoing projects.

ii. The NPC will utilise tools such as progress reports, cash flow projections, and implementation plans to inform the allocation of the development budget to projects.

iii. MoF will collaborate with NPC during the development and execution of budget allocation sessions.

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5.5 DEVELOPMENT BUDGET CEILING

As mandated by the Budget Act [CAP .439 R.E. 2023], the NPC will oversee the development of the annual development budget ceiling. It will use project implementation action plans and cash flow projections as key tools to justify its role. The project implementation action plans provide a detailed roadmap for each project, outlining milestones, timelines, responsible entities, and resource needs. These plans enable the NPC to evaluate the feasibility, priority, and annual funding requirements of projects. Additionally, cashflow projections provide accurate financial data, highlighting funding needs throughout the project lifecycle and indicating disbursement schedules, particularly for externally financed projects.

By utilising these tools, the NPC will conduct a fact-based, data-driven process that ensures the development budget ceiling is based on realistic cost estimates and strategic priorities, optimising resource allocation while maintaining fiscal responsibility.

The NPC will work with MoF to enhance the credibility of the budget ceiling development process by combining the NPC's data-driven insights with MoF's fiscal expertise. MoF will assist this effort by aligning projections with revenue forecasts and external financing agreements, ensuring adherence to the principles of the Partnership Framework for Effective Development Cooperation.

5.6 REVIEW OF ADDITIONAL FINANCING AND BUDGET ADJUSTMENTS FOR APPROVED PIS

- Any request for additional financing for an ongoing or approved but delayed Project will be subject to NPC review, regardless of the original approval status.

- Additional financing will be categorised as follows:

    i. Category I – Budget Reprofiling: Adjustments within the approved total project cost and financing envelope, resulting from timing or cash flow changes.

    ii. Category II – Cost Increase / Additional Financing: Adjustments that increase the total approved project cost or require new loans, grants, or guarantees.

- Category I adjustments will not require re-appraisal but will be supported by updated cost schedules, financing plans, and confirmation of consistency with the approved objectives and scope.

- Category II adjustments will be subject to a Supplementary Appraisal by NPC, focusing on:

    i. Justification for cost increases or financing gaps;

    ii. Updated economic and financial analysis, including affordability and value for money;

    iii. Fiscal risk implications, including debt sustainability, where applicable; and

    iv. Compliance with the Government Loans, Guarantees and Grants Act, [CAP 134. R.E 2023] and applicable financing guidelines.

- Projects that have been approved but are delayed in commencement, resulting in cost escalations, shall undergo a targeted re-validation appraisal. This appraisal will confirm their continued relevance, feasibility,and strategic alignment prior to the approval of any additional financing.

The NPC shall recommend the approval, conditional approval, or rejection of additional financing requests. It shall also ensure that approved adjustments are reflected in the Project Pipeline, Annual Development Plan, and e-Delivery.

CHAPTER SIX

Project Implementation, Monitoring, & Reporting

6.1 OVERVIEW

This chapter offers guidance on project implementation, monitoring, and reporting, all of which are essential for successful project execution. These processes help ensure that targeted objectives are met, resources are used efficiently, and intended outcomes are achieved, while also maintaining project sustainability and impact. The main objectives are to ensure projects are executed efficiently, tracked effectively, and that progress and outcomes are transparently communicated.

Box 6.1: Guidance on Disbursement

i. The requisition process will use a performance-based disbursement model.

ii. The model requires progress assessment, risk-based prioritisation, and flexibility.

iii. e-Delivery will include all standardised project templates for weekly, monthly, and quarterly progress reporting.

iv. Accounting Officers will comply with the standardised reporting templates provided by the NPC.

v. Non-compliance with requisition requirements (e.g., incomplete reports) may result in delayed or withheld disbursements.

vi. e-Delivery will be the central platform for fund requisitions across all financing modalities

6.2 PROJECT IMPLEMENTATION

The implementation of projects marks the transition from planning to execution and occurs only after a project has been officially prioritised, and funds are allocated in the government's annual and development budgets. However, including a project in the budget alone does not guarantee actual implementation, as execution remains subject to compliance with administrative and procedural requirements.

6.3 FUNDING REQUISITION

This section describes the structured process for requesting development funds and reporting on implementation progress, ensuring alignment with project readiness, efficient resource use, and strong accountability. All fund requisitions at this stage must explicitly integrate climate change risk assessments and mitigation strategies. This ensures that climate change risks are not overlooked, prevents costly project failures, and strengthens the sustainability of projects.

Accordingly, every requisition must include documented evidence of climate change risk screening, highlighting potential vulnerabilities, adaptation and mitigation measures, and alignment with Tanzania's National Climate Change Response Strategy, Nationally Determined Contributions (NDCs), and the forthcoming National Green Taxonomy. Submissions without this documentation will be deemed incomplete and ineligible for consideration.

Box 6.2: Guidance on Fund Requisition

i. Accounting Officers shall request funds through e-Delivery from all financing sources, including own sources, local funds, and other sources grants).

ii. MoF shall release funds in accordance with the recommendations of NPC, once all documentation and processes have been reviewed and cleared.

iii. Once all documentation and processes have been reviewed and cleared by the NPC, Accounting Officers shall proceed with disbursing funds from their respective sources

iv. Progress reports must be submitted as supporting documentation for any requisition.

v. For any new project needing funds for advance payments and initial costs, the Accounting Officer must submit an Inception Report and a Concept Note for review and approval.

vi. The NPC shall review within three (3) working days and submit to MOF for local funds or to the Accounting Officers for own sources.

6.3.1 Development Fund Requisition Procedure

Following the re-establishment of the NPC, the fund requisition process is centralised to improve accountability. All development fund requisitions must be submitted by Accounting Officers through e-Delivery, accompanied by a standardised progress report aligned with the project's implementation plan. The report should include details on physical and financial progress, milestones achieved, risks faced, and the mitigation measures taken.

Each requisition must include evidence of climate change risk screening and proposed adaptation and mitigation strategies, aligned with the National Climate Change Response Strategy, the Nationally Determined Contributions (NDCs), and the upcoming National Green Taxonomy.

Project implementation modalities will be based on the project's nature, size, and complexity. Approved modalities include:

i. **Contracting:** Engaging registered contractors, with or without consultants, for project execution.

ii. **Force Account:** Utilising government resources and labour, especially for smaller projects.

iii. **In-House Implementation:** Deploying internal government technical teams for specialised or sensitive projects.

Accounting Officers may use one or more of these options during project execution.

Implementation Modality

The implementation method for each project will be selected based on its nature, size, and complexity. Approved methods include contracting, which involves hiring registered contractors, with or without consultants, for project execution; force account, which utilises government resources and labour for implementation, especially for smaller-scale projects; and in-house implementation, which depends on internal government technical teams for specialised or sensitive projects. Accounting officers may use one or more of these methods during project execution.

Box 6.3: Guidance on Disbursement

i. The requisition process will use a performance-based disbursement model.

ii. The model requires progress assessment, risk-based prioritisation, and flexibility.

iii. e-Delivery shall include all standardised project templates for weekly, monthly, and quarterly progress reports.

iv. Accounting Officers shall comply with the standardised reporting templates provided by NPC.

v. Non-compliance with requisition requirements (e.g., incomplete reports) may result in delayed or withheld disbursements.

vi. e-Delivery shall be the central platform for fund requisitions across all financing modalities.

6.3.2 Review and Approval

The NPC shall review requisitions within three working days to verify project readiness, compliance with approved designs, and effective utilisation of previously disbursed funds. The NPC may request clarifications or additional documentation through e-Delivery.

With a response required within two working days, and upon approval, the NPC shall notify the Permanent Secretary, Treasury (PST) at MoF to disburse funds, either in full or partially, based on the NPC's recommendation. For own source financed projects (OTR or LGAs), Accounting Officers shall initiate disbursement upon the NPC approval, ensuring compliance with financial regulations:

To strengthen accountability, enhance implementation efficiency, and ensure value for money, the requisition and disbursement of funds shall be guided by a Performance-Based Disbursement Model. This model links fund release directly to measurable project performance against predefined Key Performance Indicators (KPIs) based on demonstrated progress and needs. Key features with their respective Turnaround Times (TATs) are:

a. **Progress Assessment Report:** Requisitions must demonstrate the use of funds already disbursed, verified through e-Delivery data and progress reports. The disbursement TAT shall be:

First disbursement:	Within five days
Subsequent disbursement:	Within three working days

b. **Risk-Based Prioritisation:** High-risk projects or those with previous delays may face increased scrutiny, including mandatory site verification. The disbursement TAT is within five (5) working days.

c. **Flexibility:** Unlike the previous quarterly requisition system, funds can be requested as needed when progress reports justify the request.

Line Ministries and Implementing Agencies must submit an annual Monitoring and Evaluation (M&E) plan, inception report, Procurement Plan and related budget at the start of each project. For all project Types I, II, and III, it is mandatory to allocate between 3–7% of the total project budget, depending on project size and complexity, specifically for M&E activities. This allocation should cover critical tasks such as data verification, field monitoring, and data audits to promote transparency, accountability, and results-driven reporting.

6.3.3 Funding Release Procedures for Ongoing Projects

MoF will release funds for ongoing projects implementations after the timely submission and approval of the required Progress Reports by the NPC. This results-driven approach promotes accountability and ensures that resource allocation matches verified project performance. Accordingly, MoF will disburse funds based on NPC approval and in line with the principles of performance-based financing.

6.4 APPROACHES FOR CONDUCTING MONITORING

Monitoring should include different methods, such as desk reviews, field assessments, and technology-based approaches, coordinated by specific sector ministries and the NPC. The following procedures will be followed:

a. **Routine Data Collection:** Implementing agencies must submit weekly, monthly, and quarterly progress reports via e-Delivery, based on the project's nature. The data should include physical and financial progress, KPIs, risks, challenges, and proposed measures.

b. **Field Visits:** Technical teams comprising project coordinators and implementers should conduct field visits to verify actual progress against reported progress. Additionally, ad hoc visits may be prompted by risk alerts or directives from authorities.

c. **Technology Integration:** Mobile apps for real-time data entry, GPS-tagged photos, and satellite imagery will improve accuracy and timeliness. Real-time dashboards via e-Delivery will offer dynamic project tracking for decision-makers.

d. **Monitoring Teams:** Technical teams, including Directors of M&E, will meet quarterly to review progress, resolve bottlenecks, and ensure strategic alignment.

e. **Participatory Monitoring:** Beneficiary communities, civil society organisations, and other stakeholders will be involved in monitoring activities to encourage transparency, accountability, and feedback mechanisms. This method enhances ownership, improves data quality, and ensures that project outcomes align with community needs and expectations.

f. **Independent and Third-Party Monitoring:** To strengthen credibility and objectivity, independent institutions, external evaluators, or third-party agencies may be engaged to conduct periodic monitoring and validation of results, particularly for large-scale or high-risk projects.

g. **Risk-Based Monitoring:** Monitoring frequency and intensity will be guided by the risk profiles of projects. High-risk investments will receive closer oversight through intensified monitoring mechanisms, while lower-risk projects may follow standard review cycles.

Note: An Accounting Officer conducting monitoring activities should integrate robust data protection, cybersecurity, and system interoperability measures to ensure the integrity, confidentiality, and availability of financial data, and to promote efficient and secure information exchange.

Box 6.4: Guidance on Approaches to Monitoring

i. Various methods, such as desk reviews, field assessments, and technology-based approaches, can be employed.

ii. Checklists, questionnaires, scorecards, and report templates will be used to ensure consistency.

iii. Mobile apps for real-time data entry, GPS-tagged photos, and satellite imagery will be utilised to improve accuracy and timeliness.

iv. Quality assurance for reports and data will be maintained through validations and approval meetings involving the Directors of M&E.

v. Decision-making may be carried out at the NPC level, during stakeholders' meetings, IMTC, and Cabinet.

6.4.1 Project Monitoring

Projects will be tracked across inputs, activities, outputs, outcomes, and risks to ensure optimal alignment with approved plans, optimise resource use and meet intended goals. Project monitoring will offer real-time insights for decision-making, support adaptive management, and boost accountability to stakeholders.

In socially and environmentally sensitive projects, it is crucial to establish strong stakeholder feedback mechanisms to ensure transparency, inclusivity, and responsiveness. The Accounting Officer should utilise tools such as surveys, public meetings, and online platforms to encourage broad participation. Additionally, ongoing monitoring will help identify and address potential risks. The main types of project monitoring are summarised in **Table 6.1.**

Box 6.5: Guidance on Project Monitoring

i. Implementing agencies must conduct monitoring through their Monitoring and Evaluation (M&E) Section or Unit.

ii. Monitoring must be conducted in accordance with Results-Based Monitoring, Evaluation, Accountability and Learning (RBMEA&L) principles.

iii. Monitoring reports must be prepared and submitted to the NPC for review and approval via e-Delivery.

iv. Monitoring reports must include an action plan to address identified obstacles to progress.

v. Monitoring should incorporate various methods, such as desk reviews, field assessments and technology-based approaches.

vi. The Monitoring and Evaluation (M&E) budget must constitute 3-7% of the total project cost, depending on project size. This allocation must be dedicated to M&E activities, including verification and data audits.

vii. Project coordinators (e.g. sector ministries and core institutions such as the NPC) shall also conduct monitoring.

Table 6.1: *Different Types of Project Monitoring*

Type of Monitoring	Details
Process Monitoring (Activity-Based)	This monitors project activities against the approved work plan, focusing on inputs, activities, and immediate outputs.
Results Monitoring	This tracks progress towards outcomes and impacts by assessing changes in beneficiary behaviour, institutional performance or sector-wide results. It includes monitoring KPIs aligned with project goals
Financial Monitoring	This is conducted to ensure budget adherence, timely disbursements, and value for money. It involves monitoring spending patterns, identifying variances, and verifying financial compliance with funding agreements.

Type of Monitoring	Details
Private Partner Commitments Monitoring	This ensures that the private partner is fulfilling commitments and obligations as outlined in the applicable engagement or partnership contracts derived from the project Proposal, Feasibility Study, and Business Plan. It includes reviewing financial and non-financial contributions against the budget and delivery timelines.
Remote Sensing-Based Monitoring	This uses satellite imagery and Geographic Information Systems (GIS) to verify physical implementation progress, monitor environmental impacts and confirm spatial accuracy for infrastructure and dispersed projects.
Risk-Based Monitoring	This prioritises monitoring based on project risk profiles, with increased oversight for high-risk projects (e.g., flagships projects) to proactively manage potential issues. The Accounting Officer must ensure risk responses are realistic, formally agreed upon and actively managed. Risk indicators should be closely watched, with residual and secondary risks addressed properly. Contingency reserves for time and cost must be allocated, and a watch list maintained for low-priority risks.
Compliance Monitoring	This ensures compliance with legal, regulatory, environmental and policy requirements related to projects. It involves verifying that all project activities follow relevant national laws, sector standards, permits, and safeguard frameworks. This helps prevent legal liabilities, project delays, and reputational risks, while fostering accountability and transparency.
Beneficiaries; Stakeholder Monitoring	This gathers feedback, perceptions, and satisfaction levels from beneficiaries and stakeholders involved or impacted by the investment. It highlights community engagement, participatory monitoring, and social accountability. Methods may include surveys, community scorecards, focus group discussions, public hearings, or citizen reporting platforms to ensure projects meet real needs and increase ownership and sustainability.

6.4.2 Climate Implementation, Monitoring, and Reporting

Implementation and monitoring are crucial for assessing the effectiveness of climate actions (adaptation and mitigation) and for learning lessons to guide future efforts. Monitoring and evaluation (M&E) systems help track progress towards climate goals, evaluate the impacts of interventions, and hold implementers accountable for their initiatives. However, defining what constitutes successful adaptation remains difficult due to the diverse nature of climate impacts and responses.

To monitor climate-related impacts effectively, the Accounting Officer must establish a standard set of climate-related indicators within the project's Monitoring Plan. These indicators should be clear, consistent, and measurable. By developing such metrics, the project can track environmental performance over time, evaluate contributions to national and sectoral climate goals, and identify opportunities for improvement. This approach ensures effective climate change risk management and alignment with broader sustainability objectives.

Throughout implementation and monitoring, it is essential to integrate climate considerations to ensure that adaptation and mitigation measures are carried out as planned and that the project remains resilient to climate change risks throughout its lifecycle. Key actions include deploying climate-resilient design features, tracking climate indicators to evaluate adaptation effectiveness, documenting lessons learned about climate challenges and solutions, and engaging communities to report climate-related issues and impacts.

6.4.3 Climate-Resilience Compliance, Checklists, and KPI Enforcement

Compliance with climate-resilience requirements shall be enforced through the e-Delivery platform. All projects shall be required to complete and submit the Climate-Resilience Checklist and report against the associated Climate-Resilience KPIs as part of the appraisal, budgeting, implementation, and reporting processes. The NPC shall condition the approval of budgets, requisitions, and progress reports on the satisfactory submission and verification of the checklist and KPI performance data. The specific checklist items, KPIs, reporting thresholds, and enforcement mechanisms are detailed in Table 7.1. This approach ensures consistency across the project portfolio, strengthens project climate resilience, and aligns national systems with the National Climate Change Response Strategy (2021–2026), Tanzania's Nationally Determined Contributions (NDCs), and the forthcoming National Green Taxonomy.

Table 6.2: *Climate-Resilience Checklist and KPIs*

Instrument	Requirement	Indicators / KPIs	Enforcement Mechanism
Climate-Resilience Checklist	Mandatory in all M&E reports and O&M budgets	– Evidence of climate change risk screening – Integration of adaptation and mitigation strategies – % of O&M budget allocated to resilience – Alignment with NCCRS, NDCs, and Green Taxonomy	The NPC shall not approve requisitions, budgets, or reports without checklist completion
Standardized KPIs	Applied consistently across all sectors	– % of projects screened for climate change risks – Asset resilience index – Service continuity rate during extreme events – Gender-responsive adaptation measures	Reported through e-Delivery and linked to performance-based disbursements

6.5 REPORTING GUIDELINES FOR PIS

This section requires Accounting Officers to submit timely reports following the standard templates provided by the NPC.

Late or poor-quality reports may lead to the suspension of disbursements. Prompt and accurate reporting is crucial for effective monitoring, planning, and funding decisions. Implementing Agencies and Line Ministries must ensure all submissions via e-Delivery meet the required standards and deadlines.

6.5.1 e-Delivery as the Guideline Reporting Tool

e-Delivery is a government tool used to track and oversee project processes. A key feature is its ability to generate reports using standardised templates.

e-Delivery serves as the central platform for development fund requisitions and tracking. It includes:

a. Automated alerts for submission deadlines, incomplete reports, or pending approvals.

b. Audit trails record submissions, reviews, and approvals for transparency.

c. Performance dashboards for real-time visualisation of fund utilisation and progress.

d. Standardised templates for consistent progress reporting

All project monitoring and reporting data must be entered and maintained in e-Delivery. The NPC will publish a quarterly dashboard via e-Delivery, summarising sectoral progress, risks, and corrective actions aligned with NKRAs.

To promote the effective use of e-Delivery, the NPC will provide targeted technical assistance and capacity-building support, including training on system use, data entry, project tracking, and climate-related reporting. Strengthening institutional capacity at MDAs and LGAs will foster inclusive, efficient, and sustainable investment management across government levels.

Note: The NPC shall conduct annual training for Accounting Officers and e-Delivery end-users, with refresher sessions every two years to reflect system updates. A dedicated Help Desk will be maintained to provide ongoing technical support. Accounting Officers may request additional training based on institutional needs or capacity gaps.

6.5.2 Standardised Reporting Templates

Project reporting tools are designed to improve the management and transparency of investment data, enabling evidence-informed decisions. These tools support data aggregation, validation, reconciliation, financial reporting, and audit readiness.

e-Delivery uses multiple reporting templates aligned with key reporting intervals: weekly, monthly, quarterly, and annual.

These templates provide a uniform structure, allowing for consistent reporting, comparability, and systematic performance analysis across projects and timeframes.

Box 6.6: Guidance on Project Progress Reports

i. Flash reports are brief summaries offering a quick overview of progress for flagship programmes.

ii. Monthly progress reports are required for flagship programmes and other key strategic projects that require close monitoring.

iii. Progress reports will be prepared using specific standardised templates provided.

iv. Progress reports will be used to assess fund requests. Disbursements will be made based on the submitted progress report for all project financing methods.

v. The NPC shall receive and review all progress reports and hold stakeholders' meetings to discuss findings.

vi. The MoF will disburse funds after receiving recommendations from the NPC, contingent upon the submission of a progress report

6.5.3 Reporting Frequency Requirements

i. **Weekly Flash Reports (Flagship Only)**

Flagship implementers should provide clear updates on implementation status to track progress and address urgent issues. The flash report will summarise key activities completed, major implementation challenges, and urgent action points. Project managers of flagship programmes are expected to hold a "check-in" to report relevant progress on project implementation, noting any roadblocks, and submit it every Thursday by the close of business to the NPC via e-Delivery.

ii. **Monthly Progress Reports**

Detailed updates will be provided to support ongoing monitoring and course correction. Physical and financial progress (e.g., activities completed; expenditure against the budget; challenges encountered; corrective actions taken; planned activities for the next month), risks, and mitigation measures must be submitted by the fifth working day of the following month to the NPC via e-Delivery. The monthly reporting template provides a more comprehensive overview of the project, including financial data, project progress, and any significant events or milestones.

iii. **Quarterly Comprehensive Reports**

The quarterly reporting template is used to monitor a project's progress over an extended period. This template typically includes details such as project status, financial data, and any significant events or milestones. It offers a comprehensive overview of project performance to aid informed strategic decisions. The report should include: a summary of progress against KPIs; financial performance (budget versus actual expenditure); risk assessment and mitigation strategies; key achievements and lessons learned; an updated project work plan; cumulative achievements; detailed risk evaluations; implementation performance metrics; and alignment with project goals. It must be submitted within ten working days after each quarter ends to the NPC via e-Delivery.

iv. **Semi-Annual Performance Reports**

Semi-annual reports provide a mid-year review of project performance. They gather and interpret data from the first half of the fiscal year to guide strategic adjustments and, if needed, resource reallocation. The report should include:

- Mid-year progress against targets and KPIs;
- Budget execution rate and expenditure trends;
- Implementation challenges and adaptive measures;
- Risk profile updates and mitigation effectiveness;
- Stakeholder and beneficiary feedback summary; and
- Adjusted work plan and priority areas for the second half of the year.

Semi-annual reports must be submitted within 15 business days after the end of the second quarter of the fiscal year to NPC through e-Delivery.

v. **Annual Comprehensive Report**

Annual reports give a detailed summary of project performance over a fiscal year, including:

- Overall, project status and achievements;
- Annual financial performance;
- Major implementation milestones and outcomes;
- Institutional performance assessment;
- Cumulative risk management report; and
- Lessons learned and recommendations for the next cycle.

Reports must be submitted to NPC via e-Delivery within 30 working days of the fiscal year-end.

6.5.4 Reporting Requirements for NPC

The NPC will evaluate the completeness, accuracy, and quality of reports, verify progress against project targets and milestones, and provide feedback or corrective actions within seven working days of receipt. The NPC will conduct quarterly site visits for flagship programmes and semi-annually for strategic projects, to confirm reported progress against previous targets; additional visits may be undertaken as required.. Non-compliance with reporting requirements or quality standards may delay feedback or funding decisions. NPC will hold quarterly and ad hoc meetings with implementing agencies to discuss the issues raised.

The NPC shall compile monthly progress reports, drawing from weekly updates on flagship and strategic projects, month and prepare a comprehensive progress report for presentation to the IMTC and Cabinet, informing updates and decision-making. When preparing consolidated annual project implementation reports, NPC shall incorporate comments from implementing agencies and key recommendations for submission to the Cabinet, to inform policy, planning, and project financing.

NPC shall implement a strong feedback system to ensure effective communication. This system primarily involves quarterly review meetings focused on selected projects and sectors. These meetings will serve as a key platform for stakeholders to evaluate the relevance, accuracy, and impact of existing projects, as well as to identify new sectors requiring attention for increased productivity. The regular nature of these quarterly reviews allows for ongoing improvement and adjustment of NPC's strategic focus, ensuring its efforts remain aligned with Dira 2050.

Note: Project monitoring and reporting must be submitted via e-Delivery. Implementing Agencies are required to submit monthly reports by the 5th of the following month. Line Ministries will consolidate these reports and send them to NPC by the 15th of the following month. NPC will review the submissions and publish a quarterly national project report within 30 days following each quarter-end. Refer to the Reporting *Frequency Calendar for projects in Annex 11*.

6.6 PROJECT IMPLEMENTATION EXTENSION

Extensions for project implementation may be granted in exceptional circumstances to ensure the achievement of intended objectives. Requests for extensions will only be considered if the following conditions are met:

- A clear justification for the delay, such as force majeure, procurement challenges, funding gaps, or unforeseen technical issues;
- A revised implementation plan with a specific schedule.

The extension request must also include an assessment of climate change risks and vulnerabilities, ensuring that adaptation and mitigation measures are integrated into the project design during the extension period, where necessary.

6.6.1 Extension Request Process

The implementing agency must submit an extension request through e-Delivery, including:

- A detailed progress report using the standard template;
- A revised implementation plan and results framework;
- Any financial implications with supporting documents; and
- A risk mitigation plan to address identified challenges.

NPC shall review the request within seven (7) working days of receipt, evaluating both technical and financial aspects. Clarifications, if needed, must be provided within three (3) working days.

Upon approval, NPC shall update the e-Delivery records, notify the PST at MoF, and inform the relevant implementing agency. For rejected requests, a written justification must accompany the rejection and be communicated via e-Delivery. The implementing agency shall then have three days to revise and resubmit the request.

Accounting Officers must submit all requests for time extensions, cost extensions, or both through e-Delivery. A request for a time extension should be initiated at least six months before the contract end date. Conversely, a request for a cost extension must be initiated immediately when the need arises and supported by adequate justification. If both time and cost extensions are needed, the request must be submitted no later than six months before the contract end date.

6.7 PROJECT TERMINATION

Termination of a project should occur only under clearly justified, verifiable circumstances and in a manner that maintains the integrity of existing contracts. A project may be terminated when continued implementation is found to be unfeasible or contrary to the public interest, based on objective assessments and documented evidence.

Any decision to terminate a project must follow due legal process, including a thorough evaluation, stakeholder consultation, and legal review, to minimise negative impacts on contractual obligations and public assets. The NPC, working with the MoF and relevant sector authorities, will document the reasons, decision-making process, and lessons learned from each termination to guide future project appraisal, contracting, and investment planning.

6.7.1 Termination Process

The implementing agency, the NPC, or oversight body may propose termination based on the project progress report, monitoring site visits and reports, audits, or performance reviews. A termination proposal must be submitted through e-Delivery, including a justification report that details the grounds for termination.

The termination process shall proceed through the following stages to ensure due diligence and compliance with established standards and protocols.

a. **Review:** NPC shall conduct a comprehensive review within fourteen (14) working days, in consultation with the MoF, sector ministries, and other relevant bodies. A site visit or independent assessment may be required for high-value projects.

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b. **Decision:** Once approved, NPC shall formalise the termination, update e-Delivery records and notify all implementing agencies. Denied proposals shall be returned with feedback for corrective action, if feasible.

c. **Post-Termination:** Following termination, the Public Finance Regulations shall guide the reallocation of any unused funds. A termination report summarising lessons learned shall be stored in e-Delivery. Should re-implementation of the project be necessary after resolving the issues that led to termination, the project document shall be reviewed and resubmitted to NPC for approval.

Box 6.7: Guidance on Termination

i. Termination will be initiated when continuation is no longer possible.
ii. The NPC shall authorise the termination process.
iii. Termination accounts should be prepared as of the date of termination.
iv. A detailed implementation progress report shall be submitted as evidence of the status and shall include reasons for the termination.
v. Accounting Officers shall initiate the process and submit it to the NPC for approval.
vi. For contractual obligations, the respective Accounting Officer shall seek guidance from the Attorney General's Office before submission to NPC.
vii. Once the issues that previously led to termination are resolved, the Accounting Officer shall review the project document, including the implementation plan, and resubmit the request to proceed with implementation to the NPC.
viii. The termination process and post-termination procedures shall be conducted through the e-Delivery .

6.8 PROJECT CLOSURE

Project closure marks the official end of the project implementation phase by ensuring accountability, documenting results, and preparing for evaluation. Closure is necessary once all planned activities, outputs, and deliverables are completed and verified against the investment's results framework; the final accounts are submitted; and a comprehensive Project Completion Report (PICR) is approved. Environmental and social impact assessments must include climate-related impacts and suggest resilience-building measures.

To promote continuous improvement, a standardised "Lessons Learned" annex shall be included in all closure reports. This annex must be shared across MDAs and LGAs through the e-Delivery to capture valuable insights, challenges, and best practices that can inform future projects and enhance overall project effectiveness.

6.8.1 Closure Process

The implementing agency shall submit a PICR through e-Delivery within thirty (30) days of project completion, including final financial statements (audited, if applicable), and expenditure reconciliation, as well as a physical progress and outcome assessment aligned with the KPIs from the results framework.

6.8.2 Verification

NPC shall conduct a closure review within thirty (30) working days, including a final site visit to verify deliverables for high-value or infrastructure projects.

6.8.3 Endorsement

Once approved, NPC will endorse closure, archive project data in e-Delivery, and notify relevant authorities. Incomplete submissions will be returned with feedback and must be resubmitted within seven (7) working days.

6.8.4 Post-closure

Closed projects may be designated for potential impact assessment, following the above guidance.

Note: The Accounting Officer must close the relevant project in the e-Delivery without exception. Failure to close projects in the system after completion could lead to consequences such as financial penalties, rejection of funding for similar future projects, or misallocation of resources.

CHAPTER SEVEN

Project Evaluation & Sustainability

7.1 OVERVIEW

This chapter examines project evaluation processes, including evaluation types, monitoring, project sustainability, and the transition of projects into public assets. It emphasises evidence-based decision-making, the climate change evaluation agenda, and stakeholder inclusion. It also highlights the importance of climate-responsive approaches and the responsible management of public assets to support long-term sustainability.

Evaluation of the project shall follow the Evaluation Plan prepared and approved during the project Identification and Appraisal stages. All evaluations shall comply with the Organisation for Economic Co-operation and Development (OECD) evaluation criteria and the Technical Procedures for Conducting Evaluations, as outlined below.

Evaluation Planning - Evaluation shall begin with the development of a comprehensive Evaluation Plan that:

- Aligns with the Guideline Results Framework;
- Defines the purpose, scope, key evaluation questions, and intended users;
- Identifies data sources, data-collection tools, required expertise, timelines, and responsible institutions; and
- Ensures adequate budget allocation for all evaluation activities at the planning stage

Development of Evaluation Tools - The Evaluation Team shall develop standardised data-collection instruments, including questionnaires, checklists, and interview guides. These tools shall:

- Be aligned with key performance indicators (KPIs) and verification sources;
- Capture both quantitative and qualitative information; and
- Be pre-tested to ensure clarity, accuracy, reliability, and relevance to the intended indicators

Data Collection Procedures - Data collection shall employ a mixed-methods approach, including:

- Surveys, field verification missions, document reviews, and stakeholder consultations;

- Standardised sampling methods to ensure representativeness and minimise bias;
- Field visits to validate physical progress, assess the quality of work, and confirm compliance with environmental and social safeguards; and
- Collection of administrative and performance data from MDAs, LGAs, Agencies, and Implementing Entities

Data Quality Assurance - To ensure the credibility of the evaluation results, the Evaluation Team shall:

- Conduct data cleaning, verification, and triangulation from multiple sources;
- Apply data-quality dimensions: accuracy, completeness, reliability, timeliness, and integrity;
- Document data limitations, assumptions, and risks to promote transparency in reporting.

Data Analysis - Evaluation analysis shall apply appropriate analytical techniques, including:

- Trend analysis, cost-benefit analysis, value-for-money assessment, and performance scoring;
- Benchmarking performance against targets, baselines, national standards, and regional best practices; and
- Conducting variance analysis to identify deviations, their causes, and implications for project performance.

Synthesis and Reporting - The Evaluation Team shall synthesise findings and prepare a standardised Evaluation Report in accordance with Annex No. 17. The report shall:

- Present evidence-based conclusions, lessons learned, and actionable recommendations;
- Classify findings according to OECD-DAC criteria: relevance, coherence, effectiveness, efficiency, impact, and sustainability; and
- Be submitted and shared through the e-Delivery.

Evaluations shall assess the intervention using the following OECD-DAC criteria:

i. **Relevance –** the extent to which the intervention addresses a specific need and aligns with stakeholder priorities.

ii. **Coherence –** the internal logic of the intervention and its alignment with other relevant initiatives and policies.

iii. **Effectiveness –** the degree to which the intervention's objectives have been achieved, based on evidence and indicators.

iv. **Efficiency –** the relationship between resources used and results obtained, focusing on cost-effectiveness and resource use.

v. **Impact –** the wider, long-term effects of the intervention, including both

vi. **Sustainability –** the likelihood that the benefits of the intervention will continue after its conclusion.

7.2 TYPES OF EVALUATION

Projects can be evaluated using various methods, depending on the project's nature, complexity, and stage in the life cycle. These include:

i. **Ex-ante Evaluation –** Conducted before implementation. This method assesses the project's rationale, feasibility, potential benefits, and risks.

ii. **Formative Evaluation –** Conducted during implementation to provide feedback that supports ongoing improvements.

iii. **Mid-term Evaluation –** Conducted midway through implementation to evaluate progress against the planned objectives.

iv. **Summative or Final Evaluation –** Conducted at the end of implementation to measure overall performance and achievement of intended results.

v. **Ex-post Evaluation –** Conducted three to five years after completion. It assesses long-term effectiveness, efficiency, impact, and sustainability, and helps to guide the design of future projects.

Note: Upon completion of a project, the Accounting Officer must conduct an ex-post evaluation within three to five years and submit a report to NPC, using the standard template provided in the Guideline. The purpose of this evaluation is to assess the project's impacts, both positive and negative, and to determine whether it delivered value for money compared to alternative interventions. This process is essential for institutional learning and the design of future projects.

Evaluations may be conducted internally (by internal teams), externally (by independent evaluators), or jointly. All projects shall map their outcome indicators to the FYDP and NKRA codes and include objectively verifiable indicators (with baseline, target, source, and frequency) for approval before project implementation begins.

To ensure robust and actionable evaluations, there must be clearly defined enforcement mechanisms, accountability structures, and incentives. The Accounting Officer is responsible for overseeing evaluations, ensuring compliance, and providing timely and accurate submissions. One key enforcement mechanism is the mandatory deadline for ex post evaluation submissions, which is directly linked to eligibility for future project funding.

7.3 M&E SYSTEMS FOR RESULTS, LEARNING, AND ACCOUNTABILITY

Monitoring and Evaluation are an interactive process in which each function plays a specific but complementary role. Monitoring focuses on tracking inputs, activities, and outputs, with a particular emphasis on daily operations and performance. It relies on measurable indicators derived from the logical framework and implementation plan.

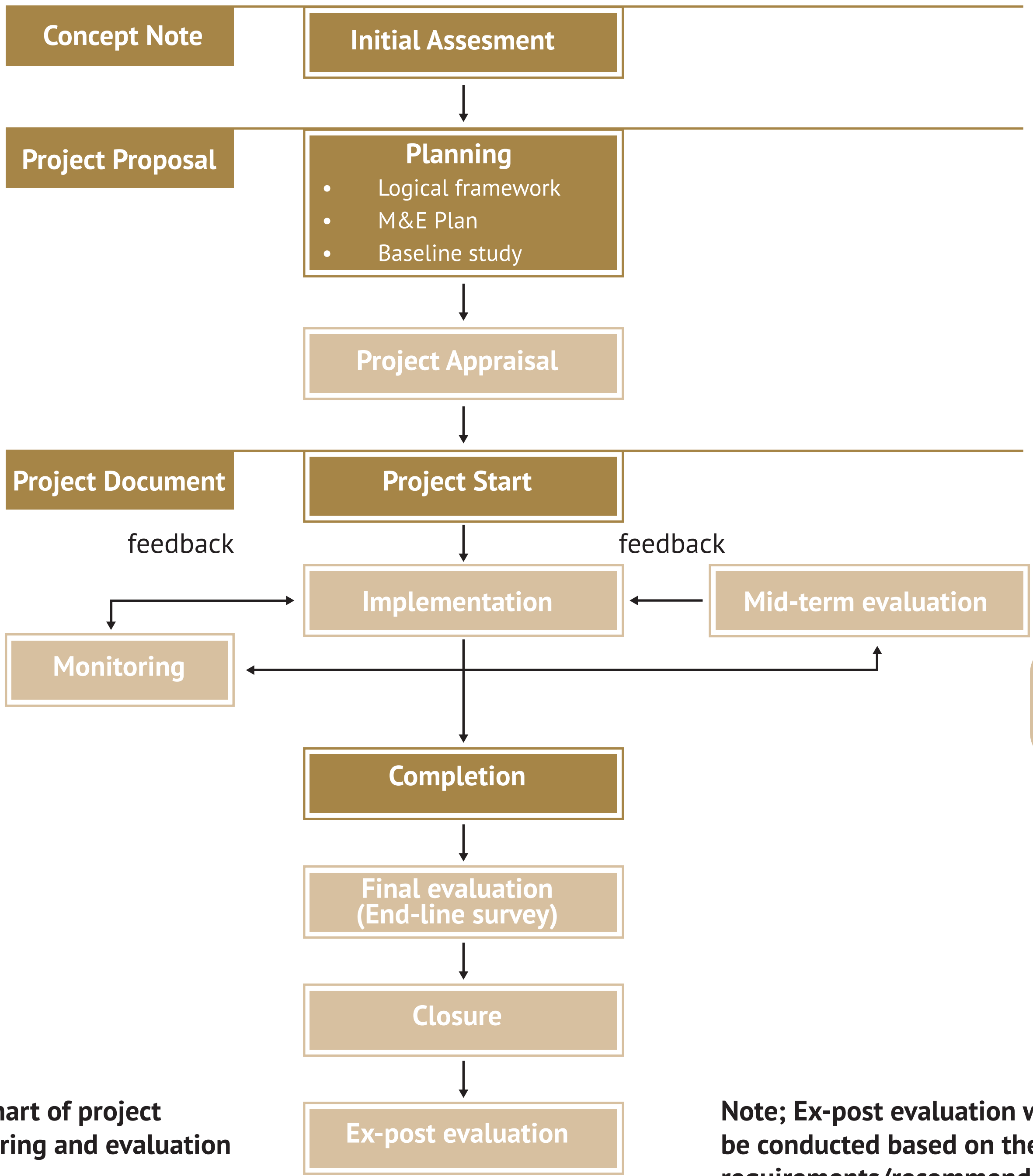
Evaluation, on the other hand, goes beyond outputs to assess the project's overall outcomes and long-term impacts. It considers external influencing factors and assesses relevance, effectiveness, and sustainability. Both processes are anchored in a Results-Based Management (RBM) approach that prioritises performance, accountability, and the achievement of concrete outcomes and impacts.

Each project shall be grounded in a Results-Based M&E (RBME) system to support learning and accountability throughout the project life cycle. Beginning with the concept note, project proposal, and project document, every initiative must undergo systematic assessment, planning, and appraisal, based on logical frameworks, baseline studies, and M&E plans.

During implementation, continuous monitoring and mid-term evaluations will provide feedback to guide corrective actions. Upon completion, final evaluations (such as end-line surveys) will assess the results achieved against planned targets. Closure and ex-post evaluations will ensure sustainability, accountability, and institutional learning.

This integrated M&E approach ensures that the project is guided by evidence, that resources are used efficiently, and that lessons learned inform future programmes and policy decisions. Project performance indicators will align with FYDP and national results frameworks, ensuring projects directly contribute to measurable national development outcomes. **Figure 7.1** illustrates how monitoring and evaluation are integrated across the project life cycle.

Figure 7.1: *Illustration of project Monitoring and Evaluation*



Flow chart of project monitoring and evaluation

Note; Ex-post evaluation will be conducted based on the requirements/recommendations from the final evaluation.

7.4 DELIVERY APPROACH FOR PROJECT THROUGH M&E SYSTEMS

To ensure the effective implementation, monitoring, and evaluation of NKRA projects, a structured approach is adopted, integrating robust problem-solving mechanisms and a comprehensive performance management framework, all guided by the Eight-Step Delivery Methodology.

Structured problem-solving includes weekly coordination meetings between the NPC and implementing teams, alongside monthly Technical Team meetings chaired by the NKRA lead, to enable the timely resolution of implementation challenges. The performance management framework is anchored in prioritisation, disciplined execution, and accountability, aimed at ensuring the delivery of the Government's top priorities. Delivery responsibility rests with the designated NKRA entity, supported by the NPC, which coordinates across ministries and stakeholders and monitors progress through detailed implementation plans. Performance shall be monitored and evaluated against the agreed strategic direction and targets, guided by the Eight-Step Delivery Methodology illustrated in Figure 7.2.

To ensure effective implementation, monitoring, and evaluation of NKRA Projects, structured problem-solving and performance management mechanisms shall be applied in line with the Eight-Step Delivery Methodology. Implementation is guided by a clear strategic direction set by leadership and translated into actionable initiatives through Delivery Labs. Stakeholder inputs are incorporated via Open Days and consolidated into an agreed Roadmap. Annual KPI targets are established for Ministries and implementing agencies to track performance. Delivery responsibility rests with the designated NKRA entity, supported by the NPC, which coordinates across ministries and stakeholders and monitors progress through detailed implementation plans. Execution emphasises continuous monitoring, rapid resolution of bottlenecks, and validation of results through Independent Performance Review (IPR) and Verification Performance and lessons learned are captured in the Annual Report, informing planning, budgeting, and continuous improvement.

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Figure 7.2: *Eight-Step Delivery Methodology*

1	**Strategic Direction**	Leadership workshops to ascertain the direction needed based on the FYDP IV as the first implementation phase of Dira 2050
2	**Labs**	Establish in detail what needs to be done
3	**Open Day**	Share lab output with people and seek their feedback
4	**Delivery Roadmap**	Publish committed initiatives and deliverables in details
5	**KPI* Targets**	Setting annual KPIs for the Ministry and each implementing agency based on established National High-End KPIs
6	**Implementation**	On the ground implementation & problem-solving roadblock
7	**IPR*/Audit**	External validation on results achieved
8	**Annual Report**	Annual update on implementation progress

7.5 PROJECT SUSTAINABILITY

To achieve national resilience goals, sustainability must be pursued across financial, institutional, social, and environmental dimensions. This requires establishing measurable benchmarks and frameworks to ensure long-term well-being and adaptive capacity, specifically:

a. **Financial sustainability** includes fiscal stability, diversified economic growth, responsible resource allocation, and investment in sustainable infrastructure to mitigate economic shocks and promote equitable prosperity.

b. **Governance sustainability** requires the establishment and maintenance of robust governance structures, transparent and inclusive decision-making processes, effective regulatory frameworks, and strong public-private partnerships that ensure accountability, resilience, and long-term adaptability.

c. **Social sustainability** encompasses equitable access to essential services (e.g., healthcare and education), social cohesion, cultural preservation, human rights protection, and community engagement in resilience planning to ensure that no population is disproportionately affected by crises.

d. **Environmental sustainability** includes biodiversity conservation, sustainable resource management (water, energy, and land), pollution reduction, climate change adaptation and mitigation strategies, and the protection of ecosystem services essential to national well-being.

These dimensions are interrelated, and their integrated application is critical for building comprehensive national resilience against a range of challenges, from economic downturns to climate-induced disasters.

Sustainability safeguards public resources by ensuring the long-term operation, ownership, and preservation of project value. Life Cycle Costing (LCC), which must be included in all project appraisals, will mandate specific operational and maintenance budget lines and key performance indicators (KPIs). It will also link the completion of asset registration milestones to formal project closure.

7.6 ASSET REGISTRATION AND MANAGEMENT

Asset registration and management are fundamental to ensuring transparency, accountability, and efficiency in the use of public resources. The Accounting Officer must maintain an authoritative Asset Register for all public assets, both tangible and intangible. This register must recognise and record assets from project registration, not solely upon completion. It must systematically capture the full lifecycle of assets from acquisition and development through operation and eventual disposal and be updated regularly to ensure accuracy and reliability. A comprehensive asset register is critical for sound financial reporting, informed decision-making, operational efficiency, and compliance with applicable regulatory requirements.

Public assets are long-term physical, financial, or intangible resources created, acquired, or controlled by the Government of Tanzania using public funds to deliver public services and support national development agendas. This definition does not include

- Training, workshops, and consultancies (non-capital activities);
- Recurrent expenditure on salaries, maintenance, or supplies; and
- Short-term interventions without lasting physical or intangible value.

7.6.1 Mandatory Registration

All projects must be recognised as assets from the time of their registration, not solely upon completion. Upon implementation, responsible entities must record projects in the GAMIS to support tracking, maintenance, budgeting, and institutional accountability. Accordingly:

a. Project documentation must include operation, maintenance, and replacement plans, with clearly defined budget lines to support long-term functionality.

b. Project assets must be digitally tracked through integration between e-Delivery and the GAMIS, enabling real-time monitoring across government entities.

Projects that remain incomplete or are suspended for extended periods must continue to be treated as Government assets. Such cases must be regarded as an ongoing performance and asset management issue. Accordingly, any asset created during project implementation must be recognised and recorded as a work-in-progress asset from the point of payment, irrespective of the stage of completion. All work-in-progress assets must be captured and monitored through the e-Delivery and recorded in the GAMIS to ensure transparency, accountability, and effective lifecycle management.

To ensure accuracy and reliability, GAMIS records must undergo an annual audit and reconciliation with physical verification. This process must be undertaken by either the National Audit Office of Tanzania (NAOT), the Controller and Auditor General (CAG), or by the responsible entity.

7.7 LEARNING AND ADJUSTMENT MECHANISM

Evaluation findings must be systematically integrated into the Public Budgeting Guidelines (PBG) and the MTEF to ensure evidence from implementation directly informs fiscal and strategic decision-making. A semi-annual review cycle shall be established to assess the linkages between evaluation outcomes and financing processes. The NPC must issue a circular documenting all resulting decisions, corrective actions, and adjustments based on these periodic reviews, thereby enhancing transparency, accountability, and evidence-based planning.

To further strengthen the use of evaluation findings, evaluation results must be directly incorporated into the NPC planning cycle and the FYDP reviews. This ensures that evaluation outcomes extend beyond mere reporting, actively shaping policy formulation, resource allocation, and programme design.

By embedding this mechanism, the NPC will be systematically obliged to capture and apply lessons learnt, best practices, and areas for improvement from past and ongoing interventions. This reinforces a culture of continuous learning and adaptive management within the national planning and financing framework.

7.8 MAINTENANCE AND BUDGETING

The Accounting Officer must ensure that all annual budgets across MDAs and LGAs allocate a defined minimum percentage for the maintenance of public assets, including specific provisions for climate resilience. Dedicated budget lines for Operations and Maintenance (O&M) must be included in financial plans to preserve asset value, sustain service delivery, strengthen resilience, and support fiscal discipline.

To enforce this requirement, a compliance framework must be established to monitor adherence to maintenance and climate-resilience standards. This must include:

i. A mandatory climate-resilience checklist in all M&E reports and O&M budgets.

ii. Reporting against a standardised set of KPIs to track risk screening, adaptation measures, and operational performance.

iii. Enforceable performance standards for asset condition and operational uptime, with sanctions for non-compliance.

ANNEXES

Annex No.1: *KPIs for the Guideline Implementation, Monitoring, and Evaluation*

S/N	KPI Description	Baseline Year	Baseline Value	Target (by FYDP _ End)	Data Owner	Reporting	Formula	Data Source
1	Percentage of approved projects fully aligned with the objectives and priority interventions of the FYDP	2024/2025	0%	≥90% alignment of projects with FYDP	Sector MDAs	Biannually	(No. of Approved projects aligned to FYDP) / (Total Submitted projects) × 100	e-Delivery
2	Percentage of key stakeholders expressing satisfaction with the implementation and outcomes of Guideline.	2024/2025	0%	≥80% satisfaction rate from stakeholders	NPC	Annually	(Number of stakeholders satisfied / Total number of stakeholders surveyed) × 100	Stakeholder Satisfaction Surveys, M&E Reports, and Project Evaluation Findings
3	Total number of development projects appraised by NPC	2024/2025	160	100% of eligible projects are appraised annually	NPC	Annually	(No. of projects Appraised) / (Total Eligible projects submitted) × 100	e-Delivery
4	Percentage of ongoing projects with approved concept notes or pre-feasibility studies	2024/2025	8%	100% of ongoing projects with valid pre-feasibility	NPC	Annually	(No. of Ongoing projects with Concept Notes) / (Total Ongoing projects) × 100	Mapping Report/ e-Delivery

S/N	KPI Description	Baseline Year	Baseline Value	Target (by FYDP _ End)	Data Owner	Reporting	Formula	Data Source
5	Percentage of new projects with approved concept notes or pre-feasibility studies	2024/2025	160	100% of new projects submitted with required documentation	NPC	Annually	(No. of Approved Concept Notes) / (No. of Submitted projects) × 100	e-Delivery
6	Percentage value of projects appraised by NPC vs. total national development budget	2024/2025	0%	100% of high-value projects (above defined threshold) appraised	NPC	Annually	(Total Budget of Appraised projects) / (Percentage national development budget) × 100	e-Delivery
7	Percentage of eligible projects submitted to the PPP Centre	2024/2025	0%	100% of eligible PPP projects submitted	NPC	Annually	(No. of PPP projects Submitted) / (Total Eligible PPP projects) × 100	PPP Centre/ e-Delivery
8	Percentage of project reports submitted on time by MDAs	2024/2025	0%	⩾ 90% submitted within deadline	Sector/ MDAs / LGAs	Monthly / Quarterly	(Reports submitted on time / Total expected reports) × 100	e-Delivery

S/N	KPI Description	Baseline Year	Baseline Value	Target (by FYDP _ End)	Data Owner	Reporting	Formula	Data Source
9	Percentage of climate-related indicators tracked in projects	2024/2025	0%	100% of climate-relevant projects with tracked indicators	MDAs / NPC	Annually	(No. of projects with tracked climate indicators / Total relevant projects) × 100	M&E Reports / e-Delivery
10	Percentage of projects with ex-post evaluations completed	2024/2025	0%	100% of eligible projects	NPC	Annually	Completed Evaluations / Total Eligible projects	e-Delivery, Evaluation Reports
11	Percentage of projects attaining formal closure with approved completion reports and lessons learned documented.	FY 2024/2025	0%	90%	NPC	Annually	(Number of projects with approved closure reports / Total number of completed projects) × 100	e-Delivery

Annex No.2: *List of Sector and Sub-Sectors*

Sector	Sub-sectors
Mining	Exploration, Extraction, Small-scale mining & development, Mineral beneficiation and value addition
Industry	Manufacturing, Textile and Apparel, Food & Beverage Processing, Pharmaceuticals & Chemicals, Leather, Steel & Metal Fabrication
Energy	Renewable Energy, Fossil Fuel, Electricity Generation & Distribution
Water	Water Distribution, Water supply, Water Resources Management, Waste management
Infrastructure	Road Infrastructure, Rail Transport, Air Transport, Marine Transport, Public Transport, Logistics & Freight
Communication	Telecommunications, Postal & Courier Services, ICT, Innovation, Newspapers, TVS, Radios, digital media, online platforms, and emerging technologies
Education	Primary education, Secondary Education, Technical & Vocational Training, Higher Education, Science and Technology, Special Needs Education, Adult & Informal Education
Agriculture	Crop Production, Irrigation & Water Use, Agricultural Research, Agro-Processing, Farm Mechanization, Agricultural Markets, Cooperatives Services, Agro Storage facilities
Livestock	Dairy & Beef Production, Poultry & Small Livestock, Animal Health & Veterinary Services, Livestock Feeds & Nutrition, Leather & Hides Processing
Forestry and Bee Keeping	Forest reserves, Plantation, natural forest, forest reserves, Bee resources reserves, Forest produces
Fisheries	Inland Fisheries, Marine Fisheries, Aquaculture, Fisheries Processing, Marine Conservation, Fishing vessels & facilities
Tourism	Cultural tourism, Eco-Tourism, Beach & Marine Tourism, Hospitality Industry, Protected Areas
Wildlife and wetlands	National Parks, Wildlife Conservation, Game reserves, Resident hunting, Research and development, Tourist hunting, Wildlife farming, breeding, and ranching
Defence & Security	National Defense, Internal Security & Law Enforcement, Border Security & Immigration, Community Police Services, Migambo and other private security, Prevention and combat services

Sector	Sub-sectors
Justice & Legal Affairs	Judiciary Services, Legal Aid & Public Prosecution, Law Reform & Human Rights
Health	Preventive services, Curative services, Regional Referral Hospitals, Dispensaries, Health Centres, District hospitals, Health management & administration, Traditional medicine, medical research services
Social Security	Pension & Retirement, Health Insurance, Workers' Compensation
Economic Services	Trade & Investment, Banking & Financial Services, Microfinance & Cooperatives, Capital Markets
Entertainment and Creative Industries	Sports, Language, Culture, Film, Music, Arts, Design
Land, Housing and Human Settlements	Land surveying and mapping, Real Estate, Housing, International boundaries, Land valuation, Land planning
Community Development and Social Welfare	People with disabilities, Alternative care, Services to the elderly, Childhood development, Norms and Values, Community Empowerment, Crosscutting issues
Administration	Human Resource development, Capacity Development, Public Building, District Councils, Governance Services

Annex No.3: *Proposed Format for Project Concept Note Content*

INFORMATION REQUIREMENT	RESPONSE
1. BASIC PROJECT INFORMATION	
1.1. Investment Title	
1.2. Implementing Agent	
1.3. Location and Coverage	
1.4. Estimated Cost	
1.5. Financing Modality	
1.6. Objectives	
1.7. Beneficiary	
1.8. Duration (Start-End)	
1.9. Assessment of Regulatory andInstitutional Capacity	
2. RATIONALE AND JUSTIFICATION	
Situation Analysis	
2.1. Describe the current situation, including service delivery gaps, unmet needs, or systemic challenges. Support the analysis with empirical evidence or trends.	
Problem Statement	
2.2. Describe the specific problem or opportunity that the project is intended to address and its severity. Where possible, quantify the problem using recent data.	
Analysis of Alternatives	
2.3. List and describe the viable alternative options for achieving the investment objective, including the baseline scenario (no investment) and a low intervention scenario (minimal action)..	
2.4. Clearly justify the selected final option, including technical, financial, and institutional reasons. Support the justification with comparative analysis and evidence.	
2.5. Describe the Implementing Agency's rationale for the chosen option and how the decision was reached.	

INFORMATION REQUIREMENT	RESPONSE
Socioeconomic Impact	
2.6. Examine the differential impacts of the project on various groups at individual, household, and community levels, assessing how women, men, youth, and vulnerable populations will benefit, participate, and be affected throughout the project cycle. Evaluate whether the social benefits outweigh the social costs over the life of the investment, and describe the expected socioeconomic benefits of the project, including its contribution to job creation, poverty reduction, and improved access to essential services such as water, health, and education. Identify strategies to enhance gender equality, social inclusion, and equitable access to project outcomes.	
2.7. Identify the primary beneficiaries of the project. Specify the geographic or demographic groups targeted.	
Alignment with National Development Plans	
2.8. Demonstrate how the project contributes to national and sector development goals, including those in the TDV, LTPP, FYDP, ADP, NDC, and National Climate Change Response Strategy.	
2.9. Describe how the project aligns with regional and international agendas such as the SDGs, AU Agenda 2063, and the Paris Agreement. Support this alignment with evidence and policy references.	
Integration, Synergies, and Complementarity	
2.10. Describe how the project complements or enhances existing or planned public and private sector initiatives.	
2.11. Identify any synergies with national or regional programmes and explain how duplication of efforts is avoided.	
2.12. Explain how the investment contributes to broader strategic coherence and leverages other initiatives for increased development impact.	

INFORMATION REQUIREMENT	RESPONSE
2.13. Describe any physical or soft infrastructure needed to enable or sustain the investment's success. This may include roads, energy, water, or ICT. Where possible, estimate scale and readiness.	
3. PROJECT DESCRIPTION	
Project Scope	
3.1. Describe the project and its components. Indicate the geographical coverage and target population.	
Project Objective	
3.2. Describe the long-term development objective the project is intended to contribute to. Indicate how this objective aligns with and will contribute to the achievement of national, sectoral, or regional strategic plans	
Expected Results	
3.3. Describe the expected project results across levels (outputs, outcomes, and impact). Specify immediate, intermediate, and long-term results. Where possible, define these using measurable indicators or targets.	
Results Framework	
3.4. Describe the indicators that will be used to track progress, along with baseline values, targets, and data sources. Identify responsible parties and frequency of measurement.	
4. FINANCING AND COSTING	
4.1. Provide an estimate of the cost of further preparatory studies required for project appraisal, including surveys, preliminary design, feasibility studies, and environmental and social impact studies.	
4.2. Describe the estimated total cost of the project and provide a detailed cost breakdown by major components.	
4.3. Identify the most appropriate financing modality and potential funding sources for the project, which may include Government Budget (Central or LGAs), development partners (grants or concessional/ non-concessional loans), public-private partnership (PPP), parastatal or institutional financing, blended financing, and other legally recognised sources such as special funds or climate financing.	

INFORMATION REQUIREMENT	RESPONSE
4.4. Show the projected budgetary impact of the project during its preparation, design, implementation, and operational phases.	
Stakeholders Analysis	
4.5. **Stakeholder Identification and Mapping:** Identify all key stakeholders, government entities, private sector, civil society, community groups, and vulnerable populations, and assess their roles, interests, level of influence, and potential contribution to or impact from the project	
5. RISK ANALYSIS AND MIITIGATION MEASURES	
5.1. Describe the key risks and critical assumptions that may affect the economic viability of the project, including the potential consequences if such risk materialises or assumptions do not hold. Where relevant, incorporate risk management considerations such as governance, compliance, and integrity risk, and propose suitable mitigation measures to be addressed during the planning stage	

Annex No.4: Proposed Format for Project Pre-Feasibility Study Content

PRE-FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
1.0 Executive summary	Provide a high-level summary of the proposed investment, covering the background of the PFS, its duration and the entities involved in its conduct, the project's context, a brief description of the investment, its location, the Implementing Agency, the conclusions of the demand and options analysis, investment costs, and a brief presentation of the main benefits.
2.0 Introduction	Provides essential information pertaining to an investment: Investment Title: Provide the official name of the investment Name of Implementing Agency: Specify the institution, ministry, department, or agency responsible for implementing the project. Sector and subsector: Define the sector and subsector of the implementing agency. Investment Nature (Infrastructure, Non-infrastructure, Acquisition): Indicate the nature of the investment (e.g., infrastructure, non- infrastructure, acquisition Investment Location and Coverage: Specify the geographical scope of the investment, indicating whether it is carried out in urban or rural areas and whether its coverage is regional, national, or transboundary. Estimated project Cost (TZS): Provide the estimated total investment cost in Tanzanian Shillings (TZS), including all capital and recurrent expenditures. Financing Modality Investment Duration (Start-End): State the investment's expected start and end dates. Assessment of Regulatory and Institutional Capacity: Reviews the legal framework and institutional ability to effectively manage and implement the investment

PRE-FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
3.0 Investment Rationale and Justification	This section outlines the project's underlying need and its alignment with development priorities. Demand Analysis: Provide a concise and factual description of the current situation, highlighting the developmental problem or opportunity the investment seeks to address, including key trends, gaps in service delivery, unmet needs, systemic challenges, and climate change, all supported by recent data or empirical evidence. Assessment of Project Alternatives: Describe the options available to deliver the investment objectives and provide justification for the preferred final choice. Include an options analysis for the 'without project' baseline scenario, considering a 'do minimum' (low intervention) approach versus a recommended solution. Clearly state the final alternative selected, including the Implementing Agency's rationale, supported by evidence and analysis. Socioeconomic Impact: Outline the investment's expected social and economic benefits, such as job creation, poverty reduction, and improved access to essential services (e.g., water, health, education). Detail its contributions to GDP growth, increased domestic production, attracting Foreign Direct Investment (FDI), enhancing resilience to climate change and its impacts, and improving national competitiveness. Emphasise inclusive development and equitable service delivery. Alignment with National Development Plans: Demonstrate, with data and evidence, how the respective project contributes to achieving the development goals outlined in key national plans. These include the Tanzania Development Vision (TDV), Long-Term Perspective Plan (LTPP), Five-Year Development Plan (FYDP), and Annual Development Plan (ADP). Additionally, show alignment with relevant regional and international development agendas, such as the Sustainable Development Goals (SDGs) and the African Union (AU) Agenda. Strategic Sector Relevance: Describe the strategic relevance of the investment in addressing sectoral priorities and policy objectives.

PRE-FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
	Integration, Synergies, and Complementarity: The project must demonstrate how it complements or enhances other ongoing or planned initiatives. It should leverage existing programmes regional initiatives, or policies to avoid unnecessary duplication of effort.
4.0 Project Descriptions	Project Scope: Outline the key components to be delivered. Project Goal: The investment aims to contribute to the long-term development objective, typically aligned with national or sectoral goals. Project Purpose: The specific intended change or outcome the project seeks to achieve within its implementation period. Expected Results: These include outputs, immediate, intermediate, and long-term outcomes, and Impacts. Required Inputs for Carrying Out Planned Activities: Key resources needed for implementation, including financial, human, technical, and material inputs. Logical Framework: A structured matrix that links objectives to indicators, means of verification, and assumptions to facilitate planning, monitoring, and evaluation (attached). Theory of Change: A narrative or diagram illustrating how planned activities will lead to outputs, outcomes, and ultimately the investment’s impact. Project Result Framework (RF) / Performance Indicator Tracking Table (PITT): A tool that outlines indicators, baselines, targets, data sources, and responsible actors to track performance over time. Supportive Infrastructure Requirements: Additional physical or soft infrastructure needed to enable or sustain investment success (e.g., roads, water, electricity, ICT)

PRE-FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
5.0 Technical Analysis	Site Suitability Analysis: Assessment of the location's environmental, logistical, and structural appropriateness for implementation. Preliminary Engineering Designs: Detail the type of works (new, upgrade, or rehabilitation), and their suitability to meet regulatory and demand requirements. Technical Options: Comparison of alternative technical solutions to identify the most effective and efficient option. Technical Capacity: Availability of skilled personnel, technical expertise, and institutional readiness to deliver the project. Resource Availability: Access to necessary materials, equipment, and technology required for execution.
6.0 Stakeholders Analysis	This section should provide evidence of stakeholder consultations to demonstrate inclusive planning: Identify key stakeholders, their roles, interests, and influence Present a stakeholder engagement plan showing when and how they will be consulted or involved.
7.0 Preliminary Economic and Financial Analysis	This should demonstrate the investment's viability, potential for returns, and societal benefits. Provide a detailed breakdown of all expenses related to the technical elements of the investment, outline the projected revenues, and present key indicators such as the Internal Rate of Return (IRR), Net Present Value (NPV), and Payback Period, along with initial assessments of affordability. Potential sources of funding and financing should be identified, including but not limited to, own sources, equity, bank loans, Government budget allocations, guaranteed loans, grants, green financing, and other legal sources, sources, for both investment and operational costs. The economic analysis should justify public sector involvement, emphasising benefits such as job creation, improved service access, productivity gains, and multiplier effects.

PRE-FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
8.0 Preliminary Environmental and Social Impact Assessment (ESIA)	The investment must incorporate an initial assessment of potential environmental and social impacts, highlighting any sensitive areas or communities that may be affected. This includes: Initial Environmental Examination (IEE). Environmental Impact Assessment (EIA). Social Impact Assessment (SIA). Identification of Climate Change Issues (risk, cost, and benefit) Climate Change Management Plan Other Environmental Assessment Certificates.
9.0 Risk Analysis	Identify potential risks, validate the reliability of data and assumptions, and establish a comprehensive risk register, documenting all identified risks, responsible parties, and mitigation strategies, including contingency plans and, where applicable, a Fraud Risk Management Assessment.

PRE-FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
10.0 Investment Implementation Plan and Coordination Aspects	This section provides an overview of how the investment will be executed, managed, and sustained: Implementation Timeline: An activity schedule (Gantt chart) showing key activities, milestones, and duration. Institutional Arrangements: Roles of the implementing agency, partners, and oversight bodies. Coordination Framework: Mechanisms for inter-agency collaboration and vertical (national-local) coordination. Project Team Identification: Lists key personnel responsible for implementation, including technical, financial, and Monitoring and Evaluation (M&E) staff. Technical Skills and Expertise: Assesses whether the project team has the required qualifications and experience. Sustainability Analysis: All projects must include a comprehensive Sustainability Analysis, examining the institutional, technical, financial, political, and social dimensions necessary to ensure that project outcomes are maintained after implementation. The analysis should assess institutional capacity, governance arrangements, operation and maintenance plans, and long-term financing strategies. It should also consider the level of political commitment, stakeholder ownership, and social acceptance, as these are critical factors for the continued effectiveness and durability of project results.
11.0 Monitoring and Evaluation Plan	It should outline how investment performance will be measured, tracked, and utilised to inform decision-making throughout the investment lifecycle: Prepare a Monitoring Plan Prepare Evaluation Plan Data Management Plan Reporting Arrangements:

PRE-FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
12.0 Attachments	Attachments: Detailed Pre-feasibility study reports and soft copies of the financial and economic models. Design and Drawings: Preliminary Design. Preliminary cost estimates. Monitoring and Evaluation Plan. Implementation Plan. Risk Mitigation Plan. Logical framework matrix of proposed project/programme design, including intervention logic, indicators, assumptions, and preconditions. Theory of Change diagram. Full options analysis report: analysis of the project/programme design options, incorporating pre-feasibility and sustainability considerations. It should also analyse the relevance of the preferred option (the project), forming the basis for the conclusions.

Annex No.5: *Proposed Format for Project Feasibility Study Content*

FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
1.0 Executive Summary	This section provides a summary covering the background of the feasibility study, including when and by whom it was conducted; the context of the proposed project; a brief description of the investment, its location, and the Implementing Agency; the conclusions of the demand and options analysis; investment costs; and a brief presentation of the main benefits.
2.0 Introduction	Provides essential information pertaining to an investment: Investment Title: Provide the official name of the investment. Name of Implementing Agency: Specify the institution, ministry, department, or agency responsible for implementing the project. Sector and Subsector: Define the Agency's sector and subsector. Investment Nature (Infrastructure, Non-infrastructure, Acquisition): Indicate whether the investment pertains to infrastructure, non-infrastructure., or acquisition. Investment Location and Coverage: Specify the geographical scope of the investment, indicating whether it is carried out in urban or rural areas and whether its coverage is regional, national, or transboundary. Estimated Project Cost (TZS): Provide the estimated total investment cost in Tanzanian Shillings (TZS), including all capital and recurrent expenditures. Financing Modality Investment Duration (Start-End): State the investment's expected start and end dates. Assessment of Regulatory and Institutional Capacity: Describe the legal framework and institutional ability to effectively manage and implement the investment.

FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
3.0 Investment Rationale and Justification	This section outlines the underlying need for the project and its alignment with development priorities. Demand Analysis: Provide a concise and factual description of the current situation, highlighting the developmental problem or opportunity the investment seeks to address. This should include key trends, gaps in service delivery, unmet needs, or systemic challenges, all supported by recent data or empirical evidence. Assessment of Project Alternatives: Describe the options to deliver the investment objectives and provide justification for the preferred final choice. This should include an options analysis, covering scenarios such as 'without project' (baseline scenario), 'do minimum' (low intervention), and the recommended solution. Clearly state the final alternative selected, including the Implementing Agency's rationale, supported by evidence and analysis. Socioeconomic Impact: Outline the investment's expected social and economic benefits, including job creation, poverty reduction, and improved access to essential services (e.g., water, health, education). Identify primary beneficiaries and highlight contributions to GDP growth, increased domestic production, FDI attraction, and national competitiveness. Emphasise inclusive development and equitable service delivery. Alignment with National Development Plans: Demonstrate with data and evidence how the project contributes to achieving the development goals outlined in the Tanzania Development Vision (TDV), Long-Term Perspective Plan (LTPP), Five-Year Development Plan (FYDP), Annual Development Plan (ADP), and relevant regional and international development agendas such as the SDGs and the AU Agenda. Strategic Sector Relevance: Describe the strategic relevance of the investment in addressing sectoral priorities and policy objectives. Integration, Synergies, and Complementarity: The project must demonstrate how it complements or enhances other ongoing or planned initiatives. It should leverage other ongoing programmes, regional initiatives, or policies, thereby avoiding duplication of initiatives.

FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
4.0 Project Descriptions	Project Scope: Outlines the key components to be delivered. Project Goal: The investment aims to contribute to the long-term development objective, typically aligned with national or sectoral goals. Project Purpose: The specific intended change or outcome the project seeks to achieve within its implementation period. Expected Results: These include outputs, immediate, intermediate, long-term outcomes, and Impacts. Required Inputs for Carrying Out Planned Activities: Key resources needed for implementation, including financial, human, technical, and material inputs. Logical Framework: A structured matrix that links objectives to indicators, means of verification, and assumptions to facilitate planning, monitoring, and evaluation (attached). Theory of Change: A narrative or diagram illustrating how planned activities will lead to outputs, outcomes, and ultimately the investment's impact. Project Result Framework (RF) / Performance Indicator Tracking Table (PITT): A tool that outlines indicators, baselines, targets, data sources, and responsible actors to track performance over time. Supportive Infrastructure Requirements: Additional physical or soft infrastructure needed to enable or sustain investment success (e.g., roads, Water, electricity, ICT)
5.0 Technical Analysis	Site Suitability Analysis: Assessment of the location's environmental, logistical, and structural appropriateness for implementation. Preliminary Engineering Designs: Details of initial engineering designs, including the type of works (new, upgrade, or rehabilitation), and their suitability to meet regulatory and demand requirements. Technical Options: Comparison of alternative technical solutions to identify the most effective and efficient option. Technical Capacity: Availability of skilled personnel, technical expertise, and institutional readiness to deliver the project. Resource Availability: Access to necessary materials, equipment, and technology required for execution.

FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
6.0 Stakeholders Analysis	This section should provide evidence of stakeholder consultations to demonstrate inclusive planning: Stakeholder Identification: Identification of key stakeholders, their roles, interests, and influence. Stakeholder Engagement Plan: Presentation of a stakeholder engagement plan, outlining when and how they will be consulted or involved.
7.0 Preliminary Economic and Financial Analysis	Investment and Operating Costs: Description of the total investment costs, total operating costs, future maintenance and renewal costs, and forecast revenue streams arising at market prices. Variable Integration: Integration of financial and technical variables from the demand, technical, and management modules. Financial Model: Development of a financial model for the project. Cash Flow Profiles: Construction of discounted cash flow (resource flow) profiles of the project. Financial Appraisal Variables: Identification of key variables for financial appraisal, including the Financial Internal Rate of Return (FIRR) and Financial Net Present Value (FNPV). Funding Sources: Indicative identification of potential sources of funding and financing for both investment and operational costs, including: own sources, equity, bank loans, government budget allocations, guaranteed loans, and grants.

FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
8.0 Preliminary Environmental and Social Impact Assessment (ESIA)	Investment Criteria Feasibility: Checking the feasibility of the investment criteria required for the economic analysis. Social Costs and Benefits: Identification of relevant social costs and benefits (both direct and indirect); Assumptions: Assumptions (unit values, parameters, growth factors, etc.) underpinning direct benefits identification and evaluation. Value Estimation: Estimation of the value of relevant social costs and benefits. Net Present Value Calculation: Calculation of the Economic Net Present Value (or Net Present Cost). Economic Model: Development of an economic Model of the project Economic Feasibility Results: Results of the economic feasibility calculations, including: Economic Rate of Return (ERR), Economic Net Present Value (ENPV), Economic Benefit -Cost Ratio (EBCR), and Economic Payback Period (EPP).
9.0 Risk Analysis	Identify potential risks and validate the reliability of data and assumptions. Initiate a comprehensive risk register to document all identified risks, responsible parties, and mitigation strategies, including contingency plans and where applicable, a Fraud Risk Management Assessment. Conduct a detailed sensitivity analysis to test the project's vulnerability to changes in key assumptions, such as costs, growth rates, and demographics.
10.0 Investment Implementation Plan and Coordination Aspects	Initial Environmental Examination (IEE). Environmental Impact Assessment (EIA). Social Impact Assessment (SIA). Climate Adaptability and Mitigation Measures Other Environmental Assessment Certificates.

FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
11.0 Monitoring and Evaluation Plan	This section provides an overview of how the investment will be executed, managed, and sustained: Implementation Timeline: Activity schedule (Gantt chart) showing key activities, milestones, and duration. Institutional Arrangements: Roles of implementing agency, partners, and oversight bodies. Coordination Framework: Mechanisms for inter-agency collaboration and vertical (national-local) coordination. Project Team Identification: Lists of key personnel responsible for implementation, including technical, financial, and M&E staff. Technical Skills and Expertise: Assessment of whether the project team has the required qualifications and experience. Sustainability Analysis: All projects must include a comprehensive Sustainability Analysis This analysis should examine the institutional, technical, financial, political, and social dimensions necessary to ensure that project outcomes are maintained after implementation. It shall assess institutional capacity, governance arrangements, operational and maintenance plans, and long-term financing strategies. Furthermore, it must consider the level of political commitment, stakeholder ownership, and social acceptance, as these are critical factors for the continued effectiveness and durability of project results.
12.0Monitoring and Evaluation Plan	This plan should outline how investment performance will be measured, tracked, and utilised to inform decision-making throughout the investment lifecycle: Prepare a Monitoring Plan. Prepare Evaluation Plan. Data Management Plan. Reporting Arrangements.

FEASIBILITY STUDY	ELEMENTS AND DESCRIPTION
13.0Conclusion	Attachments: Detailed feasibility study reports and soft copies of the financial and economic models. Design and Drawings: Preliminary Design. Bill of Quantity/Preliminary Cost Estimates. Monitoring and Evaluation Plan. Implementation Plan. Risk Mitigation Plan. Logical framework matrix of the proposed project/programme design, including intervention logic, indicators, assumptions, and preconditions. Full options analysis report: an analysis of the options for the project/programme design, incorporating feasibility and sustainability. This should include an analysis of the relevance of the preferred option (the project), which forms the basis for the conclusions. Other annexes, such as the EIA Report, Compensation Report, and various studies (depending on the Feasibility Study). A list of documentation consulted for the study, such as previous studies and evaluation reports, should also be included.

Annex No.6: *Proposed Format for Project Detailed Proposal Content*

DETAILED PROPOSAL	ELEMENTS AND DESCRIPTION
1.0 Executive summary	Provide a high-level summary of the proposed investment, covering the background of the CN, the period and personnel involved in its conduct, the context of the proposed project, a brief description of the investment, its location, the Implementing Agency, the conclusions of the demand and options analysis, investment costs, and a brief presentation of the main benefits.
2.0 Introduction	Provides essential information pertaining to an investment: Investment Title: Provide the official name of the investment. Name of Implementing Agency: Specify the institution, ministry, department, or agency responsible for implementing the project. Sector and Subsector: Define the implementing agency's sector and subsectors. Investment Nature (Infrastructure, Non-infrastructure, or Acquisition): Indicate whether the investment is in non-infrastructure, or acquisition. Investment Location and Coverage: Specify the geographical scope of the investment, indicating whether it is carried out in urban or rural areas and whether its coverage is regional, national, or transboundary. Estimated Project Cost (TZS): Provide the estimated total investment cost in Tanzanian Shillings (TZS), including all capital and recurrent expenditures. Financing Modality Investment Duration (Start-End): State the investment's expected start and end dates. Assessment of Regulatory and Institutional Capacity: Reviews the legal framework and institutional ability to effectively manage and implement the investment.

DETAILED PROPOSAL	ELEMENTS AND DESCRIPTION
3.0 Background of the project	Situation Analysis: Provide a concise and factual description of the current situation, highlighting the developmental problem or opportunity the investment seeks to address. Key trends, service delivery gaps, unmet needs, or systemic challenges should all be supported by recent data or empirical evidence. Statement of the Problem: Explain the specific issue the investment aims to solve, its causes, effects, and urgency for intervention.
4.0 Investment Rationale and Justification	This section outlines the project's underlying need and its alignment with development priorities. Assessment of Project Alternatives: Describe the options for delivering the investment objectives and the justification for the preferred final choice. This includes an options analysis without the project (baseline scenario), a "do minimum' (low intervention) approach, and the recommended solution. Clearly state the final alternative selected, including the implementing agency's rationale, supported by evidence and analysis. Socioeconomic Impact: Outline the investment's expected social and economic benefits, including job creation, poverty reduction, and improved access to essential services (e.g., water, health, education). Identify primary beneficiaries and highlight contributions to GDP growth, increased domestic production, FDI attraction, and national competitiveness. Emphasise inclusive development and equitable service delivery. Alignment with National Development Plans: Demonstrate with data and evidence how the project contributes to achieving the development goals indicated in the Tanzania Development Vision (TDV), Long-Term Perspective Plan (LTPP), Five-Year Development Plan (FYDP), Annual Development Plan (ADP), and relevant regional and international development agendas such as the SDGs and AU Agenda. Strategic Sector Relevance: Describe the strategic relevance of the investment in addressing sectoral priorities and policy objectives. Integration, Synergies, and Complementarity: The project must demonstrate how it complements or enhances other ongoing or planned initiatives. It should leverage other ongoing programmes, regional initiatives, or policies, thereby avoiding duplication of initiatives.

DETAILED PROPOSAL	ELEMENTS AND DESCRIPTION
5.0 Project Descriptions	Project Scope: Outline the key components to be delivered. Project Goal: The investment aims to contribute to the long-term development objective, typically aligned with national or sectoral goals. Project Purpose: The specific intended change or outcome the project seeks to achieve within its implementation period. Expected Results: These include outputs, immediate, intermediate, and long-term outcomes, and impacts. Required Inputs for Carrying Out Planned Activities: Key resources needed for implementation, including financial, human, technical, and material inputs. Logical Framework: A structured matrix that links objectives to indicators, means of verification, and assumptions to facilitate planning, monitoring, and evaluation (attached). Theory of Change: A narrative or diagram illustrating how planned activities will lead to outputs, outcomes, and ultimately the investment's impact. Project Result Framework (RF) / Performance Indicator Tracking Table (PITT): A tool that outlines indicators, baselines, targets, data sources, and responsible actors to track performance over time. Supportive Infrastructure Requirements: Additional physical or soft infrastructure needed to enable or sustain investment success (e.g., roads, water, electricity, and internet).
6.0 Stakeholders Analysis	This section should provide evidence of stakeholder consultations to demonstrate inclusive planning: Identify key stakeholders, their roles, interests, and influence. Present a stakeholder engagement plan showing when and how they will be consulted or involved.

DETAILED PROPOSAL	ELEMENTS AND DESCRIPTION
7.0 Financing Options and Justification)	State the total cost estimation of the project, including a breakdown for the planned activities. Cost estimation breakdown by years (Provide the total cost estimation of the project, including breakdown for the planned activities). Project budget request for the first year (State the budget request amount for the first year and its breakdown by item).
8.0 Risk Analysis	Identify potential risks, validate the reliability of data and assumptions, and initiate a comprehensive risk register documenting all identified risks, responsible parties, and mitigation strategies, including contingency plans and a Fraud Risk Management Assessment where applicable.
9.0 Investment Implementation Plan and Coordination Aspects	Provides an overview of how the investment will be executed and managed: Implementation Timeline: Activity schedule (Gantt chart) showing key activities, milestones, and duration. Institutional Arrangements: Roles of implementing agency, partners, and oversight bodies. Coordination Framework: Mechanisms for inter-agency collaboration and vertical (national-local) coordination. Project Team Identification: Lists key personnel responsible for implementation, including technical, financial, and M&E staff. Technical Skills and Expertise: Assess whether the project team has the required qualifications and experience.

DETAILED PROPOSAL	ELEMENTS AND DESCRIPTION
10.0 Investment Implementation Plan and Coordination Aspects	Sustainability asks whether the project and its direct effect can be sustained after the project is completed. All projects must include a Sustainability Analysis that comprehensively examines the institutional, technical, financial, political, and social dimensions necessary to ensure that project outcomes are maintained after implementation. The analysis shall assess institutional capacity, governance arrangements, operational and maintenance plans, and long-term financing strategies. It must also consider the level of political commitment, stakeholder ownership, and social acceptance, as these are critical factors for the continued effectiveness and durability of project results. Organisational Sustainability (State the organisation in charge of the operation and maintenance of the project outputs once completed). Financial Sustainability (State the expected budget sources and the annual costs incurred in the operation and maintenance of the project after completion).
11.0 Monitoring and Evaluation Plan	This section should outline how investment performance will be measured, tracked, and utilised to inform decision-making throughout the investment lifecycle. It should cover: Prepare a Monitoring Plan. Prepare Evaluation Plan. Data Management Plan. Reporting Arrangements.

Annex No.7: *Proposed Format for Project Business Plan Content*

BUSINESS PLAN	ELEMENTS AND DESCRIPTION
1.0 Executive summary	Brief overview of the project Key objectives and value proposition Summary of funding requirements and financial highlights Critical success factors
2.0 Project Background and Rationale	Problem statement and context. Justification for the project. Alignment with national or institutional goals.
3.0 Project Description	Scope and objectives. Location and target beneficiaries. Key activities and deliverables. Implementation timeline and milestones. Assessment of regulatory and institutional capacity.
4.0 Market or Sector Analysis	Demand assessment and market trends Comparative or competitive analysis
5.0 Stakeholders Analysis	This section should provide evidence of stakeholder consultations to demonstrate inclusive planning: Identification of key stakeholders, their roles, interests, and influence. A stakeholder engagement plan, outlining when and how they will be consulted or involved.
6.0 Technical Feasibility	Technical approach and design Infrastructure and operational requirements Compliance with environmental and regulatory standards
7.0 Organisation and Management Plan	Implementing institutions and partners. Roles and responsibilities. Project governance structure.

BUSINESS PLAN	ELEMENTS AND DESCRIPTION
8.0 Financial Plan	Detailed cost estimates (capital and recurrent). Financing sources and structure. Financial forecasts and sustainability analysis.
9.0 Economic and Social Justification	Economic viability (NPV, BCR, IRR if applicable). Social impact (employment, equity, inclusiveness). Environmental and climate impact. Risk assessment and mitigation.
10.0 Monitoring and Evaluation Plan	Prepare a Monitoring Plan. Prepare Evaluation Plan. Data Management Plan. Reporting Arrangements.
11.0 Legal and Regulatory Considerations	Required permits or licenses. Legal ownership or rights. Policy or institutional risks.
12.0 Project Sustainability	This section addresses whether the project and its direct effects can be sustained after completion. All projects must include a Sustainability Analysis that comprehensively examines the institutional, technical, financial, political, and social dimensions necessary to ensure that project outcomes are maintained after implementation. The analysis shall assess institutional capacity, governance arrangements, operational and maintenance plans, and long-term financing strategies. It must also consider the level of political commitment, stakeholder ownership, and social acceptance, as these are critical factors for the continued effectiveness and durability of project results. Organisational Sustainability (Write the organisation in charge of operation and maintenance of the project outputs, once it is completed) Financial Sustainability (Write the expected budget sources and the annual amount of cost incurred in the operation and maintenance of the project after its completion).

BUSINESS PLAN	ELEMENTS AND DESCRIPTION
13.0 Annexes	Detailed budgets and financial tables. Technical designs or maps. Letters of support or partnership agreements. Supplementary data or studies.

Annex No.8: *Checklist Questions for Appraising a Project*

Appraisal Criteria for the Assessment of a project Feasibility Study/ project Proposal/Business Plan

S/N	Criteria	Y/N	Comments
1.	**Strategic Importance**		
1.1	Are the project rationale, background, policy context, and strategic fit covered in the FS/Proposal/Business Plan, and clearly explained and justified?		
1.2	Will the project objectives contribute to the achievement of the country's strategic goals as set out in either the Dira 2050, Five Year Development Plan, or ministerial level sector strategic plans?		
1.3	Is the problem or opportunity to be addressed clearly demonstrated in the proposal rationale, and how the project will help to solve it?		
1.4	Is the project responding to an urgent need for services, as demonstrated by the evidence of: i. Severe capacity constraints in existing infrastructure/interventions ii. Rapid growth in demand for existing infrastructure/interventions, which will result in capacity constraints in the near future iii. Growth in demand for new services not previously available		
1.5	Does the project have demonstrable capacity for long-term impact on the economy in terms of contribution to GDP, employment generation, export promotion, satisfying domestic demand, or enhancing country competitiveness?		
2.	**Alternatives Analysis**		
	Have any potentially promising alternatives been ruled out before detailed appraisal on the grounds of technical feasibility or other constraints (e.g., legal, political, or financial)? If so, is the justification clear, or could it be questioned?		

S/N	Criteria	Y/N	Comments
	Can any of the project alternatives be split into independent components for separate appraisal? (A proposal may have separable components that provide much better value than others.)		
3.	**Social Impact**		
	Does the project contribute to the improvement of living conditions (housing, water and sanitation, electricity) for Tanzanians on a medium or large scale?		
	Does the project contribute to the promotion or strengthening of key public services, including health services, education quality, and skills development for Tanzanians?		
4.	**Stakeholder Analysis**		
4.1	Has the project identified key government stakeholders to be engaged, their levels of engagement, and their roles within the project, without any obvious omissions of stakeholders who play critical roles in achieving the project's objectives? E.g. stakeholders at ministry, government agency, PSC, and LGA levels.		
4.2	Has the project identified key community members and beneficiaries indicating who may be positively or negatively impacted by its implementation and outlined plans for engagement? e.g., if the project requires reallocation of community members, has the project budget included compensation plans?		
4.3	Has the project identified opportunities through which the private sector can participate in the development or operations of the project, where applicable?		
5.	**Investment Framework and Technical Feasibility**		
5.1	Is the investment framework - purpose, outputs, and goals – sufficiently detailed in specific and measurable terms and with deadlines so that their subsequent achievement can be evaluated?		

S/N	Criteria	Y/N	Comments
5.2	Is it clear which organisation is implementing the project and who will ultimately be responsible for delivering the project on time and on budget?		
5.3	Is the scope of the project sufficiently detailed for appraisal, with no obvious omissions of major components that could jeopardise the achievement of the project's objectives?		
5.4	Have all the requirements for design studies and other assessments, e.g., environmental impact assessments, been clearly identified?		
5.5	For projects requiring technical feasibility, have the technical requirements for the project been detailed appropriately to incorporate project design, infrastructure design, technology requirements, material and equipment requirements, regulatory compliance, and maintenance plans (where applicable). Are there any obvious omissions of major components that could jeopardise the achievement of the project's objectives?		
6.	**Project Financing**		
6.1	Is the project's financing plan incorporated in the proposal, sufficiently detailed, with anticipated sources of financing?		
6.2	If the project is to be financed from multiple sources, is the funding from sources other than the government budget likely to be secured? Have the public versus private-sector funding commitments been clearly detailed in the proposal/study?		
6.3	Does the project have the characteristics that recommend consideration of procurement through a public-private partnership arrangement, and if so, has this option been investigated or highlighted for further consideration, including value for money analysis?		
	If the project is implemented and operated by a self-financing entity (public or private sector), is there any confidence that the entity's financial position is sound enough to support ongoing operations post-implementation?		

S/N	Criteria	Y/N	Comments
7.	**Financial and Economic Viability**		
7.1	Have the net present value (NPV) and/or economic internal rate of return (EIRR) been calculated? Do the results of the economic analysis indicate that the project is economically feasible (i.e. the NPV is positive or the EIRR is above the prescribed minimum rate of return for public sector investment)? Have other formulas also been calculated to provide a comprehensive viability analysis (e.g., Financial/ Economic IRR, BCR)?		
7.2	Is the time period for the socio-economic cost-benefit analysis long enough to encompass all important costs and benefits? Has adequate account been taken of subsequent costs and benefits? Is the timing of all costs and benefits clear for each alternative?		
7.3	Are the results of the economic analysis robust in the face of more pessimistic assumptions concerning key values (as examined in sensitivity tests) and the worst-case scenario?		
7.4	If monetary values for economic benefits cannot be estimated, has a cost-effectiveness analysis been performed? If so, does the analysis confirm that the selected alternative has the lowest present value of costs per unit output compared to other project alternatives? Furthermore, is there a strong qualitative case made for the economic benefits?		
7.5	If certain costs or benefits are not quantified in monetary terms, is this appropriately justified?		
7.6	If budget funding for capital investment is justified, will the operating entity nevertheless be able to generate sufficient financial resources to cover operations and maintenance?		
8.	**Legal, Environmental and Social Sustainability**		
8.1	Is the project legally feasible?		
8.2	Have the major environmental and social consequences of the project been properly identified in ESIA reports, EIAs, and other similar reports, and have appropriate mitigation measures designed where required?		

S/N	Criteria	Y/N	Comments
8.3	Considering any proposed mitigation measures, has sufficient evidence been provided to indicate that the project will be environmentally sustainable, taking into consideration climate adaptation and mitigation measures required to manage climate change issues?		
8.4	Considering any proposed mitigation measures, has sufficient evidence been provided to indicate that the project will be feasible from a social/community perspective?		
8.5	Does the project demonstrate its contributions to sustaining the social fabric of Tanzania, providing long-term value through the promotion of human rights, gender equity, the protection of vulnerable groups, the protection of Tanzanian cultural heritage, or other social protections?		
9.	**Assessment of Project Risk**		
9.1	Have all important risks and uncertainties for the project been identified and assessed, including their mitigation measures, either qualitatively or quantitatively? Have contingency plans been considered?		
9.2	Are ongoing risk management, risk monitoring, and appropriate risk mitigation included in the budget and activity plans?		
10.	**Implementation Management and Operational Analysis**		
10.1	Are the project proposal and implementation plan practically deliverable, supported by well-defined, realistic delivery plans with clear delivery dates and implementation milestones for effective monitoring?		
10.2	Has responsibility been clearly allocated for project outputs and expenditure?		
10.3	Have operational requirements, such as staff, , logistics, etc., been identified and budgeted for?		
10.4	Is the implementation of the project compatible with other projects and workloads being undertaken by the implementing agency?		
10.5	Will adequate financial and human resources be available for project rollout, handover, and operations?		

S/N	Criteria	Y/N	Comments
11.	**Integration, Synergies, and Complementarity**		
11.1	Does the project complement other projects within the sector and the implementing agency?		
11.2	Are there any synergies between the implementation of the project and the national flagship programmes, that would significantly support the achievement of the national flagship programmes' objectives?		
12.	**Monitoring and Evaluation Plan**		
12.1	Does the project plan include a satisfactory implementation monitoring plan – who, when, how, and costs?		
12.2	Does the project plan include clear proposals for evaluating project performance once the project is operating - who, when, how, and costs?		
12.3	Does the project plan include a data management plan, and how reporting will be conducted?		

Annex No. 9: *Logical Framework (sample example)*

	Narrative Summary	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification	Reporting
Goal *(Overall impact)*	Improve community health status	Reduction in incidence of waterborne diseases (%)	25% of households affected annually	Reduced to 10% within 3 years	Health facility records, national health surveys	Government continues supporting public health programs
Purpose **(***Outcome)*	Increase access to clean drinking water	% of households with access to safe water	40% households	80% households within 2 years	Household surveys, water access reports	Community adopts improved water sources
Output *(Deliverables)*	Boreholes constructed and functional	Number of functional boreholes installed	2 boreholes	15 boreholes installed and operational	Project reports, site inspection records	No major delays in procurement or construction
Activities *(Tasks)*	Drill boreholes, train water committees, community sensitization	Number of boreholes drilled; number of people trained	0 activities completed	15 boreholes drilled; 100 community members trained	Training attendance sheets, contractor reports	Availability of skilled labour and community participation

Annex No. 10: *Project Action Plan*

PROJECT NAME:					
Activity	**New/On going**	**Sub activity**	**Deliverable**	**Planned Start Date**	**Planned Finish Date**
Needs Assessment	New	Conduct household surveys	Survey report completed	01-Apr-2026	10-Apr-2026
Procurement	New	Purchase drilling equipment and materials	Equipment procured and delivered	15-Apr-2026	25-Apr-2026
Monitoring & Evaluation	Ongoing	Conduct site inspections	Monthly monitoring reports	01-Jul-2026	31-Dec-2026
Total Cost of the project					

Annex No. 11: *Project Cash Flow*

PROJECT NAME:								
Activity Code	Activity Description	Source of Financing	Approved Annual Budget (TZS)	Planned Quarterly (Projected Cash Flow)				
				Q1	Q2	Q3	Q4	Total
		Local						
		Foreign						
		Total						

Annex No.12: *Project Implementation Plan Template*

1. PROGRAM OVERVIEW

Item	Description
Program Title	[Insert program name]
Implementing Agency	[Name of lead organisation or department]
Location	[Target area/region]
Duration	[Start Date – End Date]
Target Group(s)	[Beneficiaries: e.g., youth, farmers, SMEs, etc.]
Funding Source	[Government, Donor Agency, Internal, etc.]
Total Budget	[Total estimated budget in USD/local currency]

2. PROGRAM OBJECTIVE

Overall Objective:

[Insert a clear, measurable statement that outlines what the program aims to achieve]

3. IMPLEMENTATION STRATEGY

Overall Approach

[Describe the high-level strategy for implementing the project. Examples: Phased rollout, Big Bang, Agile Iterations, Waterfall.]

Key Milestones

[List the major milestones of the project, with estimated dates.]

Milestone	Description	Target	Timeline

Phasing (If Applicable)

[If using a phased approach, describe each phase, its goals, and its duration.]

Phase 1 (Name)	Description	Target	Timeline

4. IMPLEMENTATION MATRIX

Table 1: Activities, Outputs, Costs, and Timeline

Main Activity	Priority	Sub-Activities	Expected Outputs	Cost (TZS)	Timeframe
TOTAL					

Annex No. 10: *Project Action Plan*

Project title:

Start Date:

End Date:

Projects code	Project Activity Description	Type of Activity	Frequency of Activity	Responsible Lead - Who is responsible for overseeing and implementing the task? Title..	Milestones How will you measure the success of the task?	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Detailed projects Implementation Activities																	
Output 1:																	
Output 2:																	

6. RESOURCES AND ROLES

Projects Team

[List title of team members, their roles, and their responsibilities.]

Title	Responsibilities

Resource Allocation

[Detail the resources required for the projects (e.g., budget, equipment, software, personnel time). Quantify where possible.]

Description	Quantity	Amount

Training Requirements

[Identify any training needed for team members or end-users.]

Training Topic	Description	Target Audience	Delivery Method	Timeline

Communication Plan

[Describe how communication will be managed within the project team and with stakeholders. Include frequency, channels, and key contacts.]

Type of Communication: *[e.g., Weekly Status Meeting, Email Updates, Stakeholder Presentations]*

Frequency: *[e.g., Weekly, Bi-weekly, Monthly]*

Audience: *[Who will receive the communication?]*

Channel: *[e.g., Email, Meeting, project management system]*

7. RISK MANAGEMENT

Risk Assessment

[Identify potential risks that could impact the projects.]

Risk Description: [Detailed description of the risk]

Likelihood: [Probability of the risk occurring (e.g., High, Medium, Low)]

Impact: [Severity of the impact if the risk occurs (e.g., High, Medium, Low)]

Mitigation Strategy: *[Actions to reduce the likelihood or impact of the risk]*

Contingency Plan: *[Actions to take if the risk occurs despite mitigation efforts]*

Responsible Party: *[Who is responsible for monitoring and managing the risk?]*

Risk Monitoring

[Describe how risks will be monitored throughout the projects.]

8. BUDGET AND FINANCIAL MANAGEMENT

Project Budget

[Detailed breakdown of all project's costs.]

Item: *[Description of cost]*

Estimated Cost: *[Amount]*

Actual Cost: *[Amount]*

Variance: *[Difference between estimated and actual cost]*

Budget Tracking

[Describe how the project's budget will be tracked and managed.]

Annex No. 13: *Reporting Frequency Calendar for Project*

Reporting Frequency Calendar for project/program					
Report Type	**Frequency**	**Due Date**	**Responsible Party**	**Submission Platform**	**Key Contents**
Weekly Flash Report *(Flagship Only)*	Weekly	Every Thursday	Flagship programs Managers/ Coordinators	e-Delivery	Summary of key activities completed, major challenges, roadblocks, and urgent action points.
Consolidated Monthly Report	Monthly	15th of the following month	Line Ministries	e-Delivery	Consolidated monthly reports from Implementing Agencies.
Quarterly Comprehensive Report	Quarterly	15th working days after the end of each quarter	Line Ministries	e-Delivery	KPI progress, financial performance (budget vs. actual), cumulative achievements, risk mitigation, lessons learned, updated work plans.
NPC Quarterly Bulletin	Quarterly	Within 30 days after quarter-end	NPC	Internal	National summary of project performance for strategic review and planning.
Semi-Annual Comprehensive Report	Semi-Annually	15th working days after the end of Semi-Annual	Line Ministries	e-Delivery	Full-year overview of project performance, financial and physical progress, milestones, and strategic outcomes.
Semi-Annual Comprehensive Report	Semi-Annually	Within 30 days after Semi-Annual end	NPC	e-Delivery	NPC-level synthesis of semi-annual project performance.
Annual Comprehensive Report	Annually	15th July	Line Ministries	e-Delivery	Full-year overview of project performance, financial and physical progress, milestones, and strategic outcomes.

Reporting Frequency Calendar for project/program

Report Type	Frequency	Due Date	Responsible Party	Submission Platform	Key Contents
Annual Comprehensive Report	Annually	30th July	NPC	e-Delivery	National-level consolidated project annual report.
NPC Site Visits	Quarterly / Semi-Annually	As needed	NPC	N/A	Verification visits: Quarterly for Flagship programs and Semi-annually for Strategic projects to validate reported progress.
Quarterly Review Meetings	Quarterly	Scheduled each quarter	NPC + Stakeholders	In-person / Virtual	Review the relevance and accuracy of projects, address implementation issues, and align project focus with national development priorities.
NPC Technical Team	Monthly / Quarterly / Semi-Annually / Annually	After internal consolidation	NPC	Internal	Consolidated report including flagship and strategic project updates, policy recommendations, and planning guidance for Cabinet-level decisions.
IMTC & Cabinet Report	Monthly / Quarterly / Semi-Annually / Annually	After internal consolidation	NPC	Internal	Same as above, tailored for Cabinet-level strategic decisions.

Annex No.14: *Weekly Report*

1.0 Project Identification Details

Complete the following table with details of the project.

Hint: *Provide a brief summary of the week's implementation update.*

Project Name	<Insert title of project>
Location	<Insert the country, region, district, etc. for the project>
Reporting period	<Insert the period covered by the report, e.g., Oct 23, 2025 – Oct 27, 2025>
Report compiled by	<Insert the name of the supervisor who prepared this report>
Report date	<Date of submission>

2.0 Executive Summary

Provide a concise summary (2-3 sentences) highlighting: Key achievement during the week; major challenges/bottlenecks; and overall implementation status (e.g., on track/delayed/at risk).

3.0 Key accomplishments this week

List specific, measurable accomplishments. Use bullet points. Quantify where possible.

4.0 Planned activities for next week

List specific tasks planned for the upcoming week. Align with the project schedule.]

5.0 Issues and Risks

Identify any issues or risks that arose this week. Include potential impact and proposed solutions.

Challenge	Proposed solutions
<Insert>	<Insert>

6.0 National Planning Commission (NPC) Recommendation

Recommendation (s) from NPC on weekly reports submitted

Annex No.15: *Monthly Progress Report*

1.0 Project Identification Details

Complete the following table with details of the project.

Project Name	< Retrieve from NMPIS>
Project Code	Retrieve from e-Delivery
Reporting Period	<Insert the time period covered by the report. Specify the month being reported (e.g., April 2025)>
Report Compiled by	<Insert the name of the supervisor who prepared this report>
Report Date	<Date of submission>

2.0 Executive Summary

Provide a high-level overview of key accomplishments and overall project health during the month. Highlight key achievements, major challenges mitigation actions, and overall project status (e.g., on track/delayed/at risk) against the project goals. Quantify progress whenever possible.

3.0 Activities and Outputs Performance

Complete the following table for each activity in the project. Describe your progress with the activity and the outputs generated. Choose a status for each activity (achieved, in progress, challenges, or not started) with its expected risk level. (Sample on how to fill the table has been provided)

Activities (as extracted from the project Gannt Chart for the specific quarter)	Deadline	Completion Status (Not Started, In Progress, Completed, etc.)	Risk Level			Reason (s)
			Likelihood	Timeline	Mitigation	
Conduct household surveys	10-Apr-2026	Completed	Low	Low	Proper planning and trained enumerators	Activity completed on time with full community participation
Procure drilling materials	25-Apr-2026	In Progress	Medium	High	Multiple suppliers identified to avoid	Some delays due to supplier issues, expected to complete soon

4.0 Key Accomplishments Per Month:

List major achievements during the month. Focus on outcomes and impact, and overall physical progress completed (%)

5.0 Key Performance Indicators (KPIs)

Include metrics that reflect project performance, such as cost variance, schedule variance, and resource utilization rates.

KPI Name	Target (Desired Value)	Actual (Current Value)	Trend (Upward/Downward/ Stable)

6.0 Budget Overview

Present a summary of budget performance over the month, including total expenditures versus budgeted amounts.

Budget	Total budget allocated	Expenditure this reporting month	Total expenditure to date

7.0 Challenges Faced

Outline significant challenges encountered during the month, along with their impact on project objectives and how they were addressed or mitigated.

Challenge	Proposed solutions
<Insert>	<Insert>

8.0 Next Steps/Action Items

List upcoming tasks for next month along with assigned responsibilities to ensure accountability moving forward.

Issue	Action taken/ Recommendation	Responsible	Timeline

9.0 National Planning Commission (NPC) Recommendation

Recommendation (s) from NPC on monthly reports submitted and rating on project progress using colours (red, yellow, and green)

Annex No.16: *Quarterly Progress Report*

1.0 Project Identification Details

Complete the following table with details of the project.

Project Name	<Insert title of project>
Project Code	
Location	<Insert the country, region, district, etc. for the project>w
Reporting Period	<Insert the period covered by the report>
Date Submitted	<Insert date>

2.0 Executive Summary

Provide a summary of progress during the reporting period that includes overall progress, key achievements and milestones reached, major challenges and mitigation actions, and overall project status (on track/delayed/at risk) that could be shared with NPC

3.0 Activities & Outputs

Complete the following table for each activity in the project. Describe your progress with the activity and the outputs generated. Choose a status for each activity (achieved, in progress, challenges or not started)

Activities (as extracted from the project Gannt Chart for the specific quarter)	Deadline	Completion Status (Not Started, In Progress, Completed, etc.)	Risk Level			Reason (s)
			Likelihood	Timeline	Mitigation	

4.0 Results

Complete the following table with the latest results for your key indicators. Focus on outcome/goal indicators, if possible, rather than activities and outputs, which are already described in the previous section. Choose a status for each indicator (achieved, in progress, challenges, or not started).

Indicator	Baseline	Target	Result as of <date>	Status
<Insert>	<Insert>	<Insert>	<Insert>	**In progress**
<Insert>	<Insert>	<Insert>	<Insert>	**Achieved**
<Insert>	<Insert>	<Insert>	<Insert>	**In progress**
<Insert>	<Insert>	<Insert>	<Insert>	**Challenges**
<Insert>	<Insert>	<Insert>	<Insert>	**Not started**

5.0 Challenges & Lessons Learned

Complete the table below with challenges that were encountered during the reporting period and the lessons learned. Include any solution that you plan to implement in the next reporting period.

The following table summarises the challenges we have faced during the reporting period and the lessons learned / solutions for each challenge.

Observation/Issues	Action Taken/ Recommendations
<Insert>	<Insert>
<Insert>	<Insert>

6.0 Financial Performance (Budget Versus Expenditure)

Provide a summary of the expenditure during the reporting period compared to the original budget and expenditure to date. Explain any discrepancies or changes to the budget.

<Insert>

<Insert>

Project Cost	Total budget allocated	Expenditure this reporting period	Total expenditure to date
<Insert>	<Insert>	<Insert>	<Insert>
<Insert>	<Insert>	<Insert>	<Insert>
<Insert>	<Insert>	<Insert>	<Insert>
TOTAL			

7.0 National Planning Commission (NPC) Recommendation

Recommendation (s) from the NPC on quarterly reports submitted and rating on project progress using colours (red, yellow, and green

Annex No.17: *Mid–Term / Ex-Post _ Evaluation Plan*

<Logo>

<Organisation Name>

<project title>

Mid-term/Ex-post Evaluation Plan

INSTRUCTIONS:

Instructions for this template are shown in red and yellow. Delete all instructions before submitting your Evaluation Plan.

Items to be completed are highlighted in grey. Remove the grey highlighting before submitting your Plan.

Contents

INSTRUCTIONS: ***Update the Table of Contents as the final step before submitting your Evaluation Plan.***

Acronyms

M&E	Monitoring and Evaluation
MoH	Ministry of Health
NGO	Non-Governmental Organisation
TOT	Training of Trainers
NPC	NPC
TDV	Tanzania Development Vision

1. Introduction and outline of the Project

(Clarify why the evaluation of the project was decided and describe the purpose of evaluations in general and the evaluation type, including any specific aspects.)

1.1 Introduction

1.2 Purpose of the evaluation

2. Outline of the Project

The intention of this section is to summarize the most essential information and facts to understand the project intervention. It gives a brief description of the project, including relevant background, including the origin of the project.

- *development objective;*
- *main problems to address;*
- *pecific objective(s) and outputs;*
- *project rationale;*
- *starting date, duration, and date of any former evaluation; and,*
- *executing agency and collaborating agencies.*

Table x. Outline of the project

Title	
Duration	
Budget	
Location	
Objectives	
Details	
Beneficiaries	
Expectations	

3. Evaluation Scope and Methodology

The intention of this section is to:

- *Elaborate on the purpose of the evaluation and the reason for undertaking it;*
- *Elucidate the scope and focus of the evaluation, referring to the Terms of Reference for the evaluation;*
- *Introduce the members, profession, nationality, and further relevant background; and*
- *Set out the approach of the task; sources of data, collection methods, and measures adopted to ensure the reliability of data collected. (e.g., documents studied, field visits, meetings, feedback on preliminary findings, and the duration of the evaluation), based on the criteria of evaluation: relevance, effectiveness, efficiency, impact, and sustainability.*

3.1. Evaluation scope

(Evaluation of projects based on criteria and indicators for evaluation Relevance, Effectiveness, Efficiency, Impact, and Sustainability, and each specific evaluation factor is developed based on them. Under the evaluation criteria, the evaluation questions can be composed at each stage of the project's logical framework.)

3.2. Evaluation methodology

(Based on the indicators developed, an evaluation matrix will be established, consisting of detailed evaluation criteria and quantitative/qualitative research methods.

- *Evaluation Frame*

To check 'x' at each box where the method will be used to evaluate the corresponding criteria)

Method **Evaluation criteria**	**Document analysis**	**Data and statistics analysis**	**Interview with the local people and beneficiaries**	**Interview with the project Stakeholders and implementers**	**Questionnaire survey of the target group**	**On-site field trip and survey**
Relevance						
Effectiveness						
Efficiency						
Impact						
Sustainability						

- **Evaluation Matrix**

Evaluation criteria	Detailed Evaluation Criteria	Indicator/ checkpoints	Means of verification
Relevance	e.g., Alignment with the Dira 2050 needs and strategy		e.g. Dira 2050
	e.g., Consistency with the National Priorities		e.g., Document and interview
Effectiveness			
Efficiency			
Impact			
Sustainability			

3.3. Participants and main task for evaluation

Name	Affiliation	Main task
1.		
2.		
3.		
4.		

4. Budget estimates

(The unit cost will follow the financial regulation.)

5. Evaluation schedule

Date / Time	Description	Responsible person	Location

6. Annexes

(To add supplementary data, documents, etc., for the evaluation)

Annex No.18: *Monitoring Checklist*

The following checklist contains a list of questions and actions that may guide the monitoring process. Not all questions and actions need to be considered/ taken during the process.

Criteria	Questions to be considered
Input	• Is financing available and disbursed on time, in adequate amounts, and aligned with implementation needs? **(All Projects)** • Where applicable, has the private partner delivered financial resources in accordance with contractual agreements and timelines? • Has the private partner fulfilled non-financial obligations (e.g., technical expertise, staffing, technology transfer)? **(Where applicable)** • Have all required permits, licenses, regulatory approval, and insurances been obtained on time? **(All types of projects)** • Are materials, equipment, and construction inputs procured and delivered in the required quantity and quality? **(Infrastructure Only)** • Are required human resources (skills, expertise, staffing levels) available and effectively deployed? **(Non-Infrastructure Only)** • Are necessary systems, tools, and logistical support (e.g., ICT systems, training materials) available and functional? **(All projects)** • Are there any resource gaps (financial, technical, human, or material)? If yes, what are the causes? (**All Projects)** • Are unit costs for activities reasonable compared to similar projects or benchmarks? **(All Projects)** • Are there early warning signs of logistical or resource constraints that may affect project effectiveness? **(All Projects)**

Criteria	Questions to be considered
Activities	• Are project activities being implemented according to the approved schedule and within the allocated budget? **(All Projects)** • Are activities aligned with the project design, scope, and approved work plan? **(Infrastructure Only)** • Are implemented activities critical and sufficient to achieve intended results? **(All Projects)** • Are construction/implementation activities carried out in accordance with approved technical designs and specifications? **(Infrastructure Only)** • Are contractors and service providers complying with labour laws, occupational health and safety standards, and environmental requirements? **(Infrastructure Only)** • Are service delivery, training, or system development activities effectively reaching the intended beneficiaries? **(Non-Infrastructure Only)** • Are stakeholders (including local communities and beneficiaries) adequately engaged and providing feedback on implementation? **(All Projects)** • Are there deviations from planned activities? If yes, are they justified and formally approved? **(All Projects)** • Are there early warning signs of implementation delays or inefficiencies that could affect project performance? **(All Projects)** • Are there any emerging or unplanned issues requiring corrective action? **(All Projects)**

Criteria	Questions to be considered
Output	• Are implemented activities producing the expected outputs as defined in the project design? **(All Projects)** • Do outputs meet the agreed Key Performance Indicators (KPIs) and quality standards? **(All Projects)** • Do completed works meet technical specifications, quality standards, and readiness for use? **(Infrastructure Only)** • Are outputs (e.g., trained personnel, systems, services) achieving intended functionality and usability? **(Non-Infrastructure Only)** • What is the level of beneficiary satisfaction with the outputs delivered? **(All Projects)** • Are the outputs sufficient and relevant to achieving the overall project objectives? **(All Projects)** • Are there challenges in measuring or verifying outputs (especially for intangible results)? **(All Projects)** • Are there comparable outputs in similar projects, and what lessons can be drawn to improve performance? **(All Projects)** • Does the project demonstrate potential for scalability or replication in other contexts? If yes, why? **(All Projects)**

Annex No.19: *Evaluation Checklist*

This checklist contains questions and actions to guide the evaluation process. Not all questions and actions need to be addressed during an evaluation.

Criteria	Questions to be considered
Relevance	1. To what extent are the project objectives still valid? / How valid are the project objectives? 2. Does the problem analysis confirm the results of the project identification? Can the results of the project identification be confirmed by the analysis of the problem? 3. Are the project's activities and outputs of the project in line with/ relevant to the overall aim and the fulfilment of its objectives? 4. Are the project's activities and outputs in line with/relevant to the expected impacts and outcomes? 5. Does the project clearly comply with Dira 2050 objectives, national strategic priorities, and the target country's national efforts in the relevant sector? 6. Considering the project objectives, is the budget appropriate? Are the costs for each activity suitably allocated? 7. Is the project rationale appropriate, based on an analysis of the logical framework's linkages? 8. Are the outputs essential and sufficient to achieve the project's specific objectives? 9. (Action) Assess the contribution of stakeholders to project design. 10. (Action) Assess the status of project ownership. 11. (Action) Assess stakeholder and partner agency commitment to the project. 12. (Action) Assess the suitability and relevance of the project design (including. vertical logic rationale, level of details, logic, indicators, verification means, assumptions, risk management etc.).

Criteria	Questions to be considered
Coherence	1. How well does the project fit with other interventions? 2. Are there synergies or conflicts with other policies/programs?
Effectiveness[1]	1. To what extent were the objectives met or likely to be met? 2. What key factors influenced the achievement (or non-achievement) of the objectives? 3. Are there more appropriate technical, financial, or administrative approaches that can improve the effectiveness of the project? 4. (Action) Assess the technical or scientific intrinsic quality of the project proposal. 5. (Action) Assess the relevance of the project proposal's rationale in achieving its objectives. (This may include critically analysing the logical framework and examining external factors that may influence the project's success.) 6. (Action) Conduct a risk assessment and assess the probability of success. 7. (Action) Assess the effectiveness of managing unexpected situations and evaluate the approaches taken in comparison with other possible alternatives. 8. (Action) For ongoing projects, assess the validity of the project design (This includes reviewing the logical framework and providing suggestions for revision when required.)

1 $\text{Effectiveness} = \frac{\text{Actual Results}}{\text{Planned Results}}$

Criteria	Questions to be considered
Efficiency[2]	1. Were activities cost-efficient? Did the project activities achieve the expected outcomes with the minimum possible cost inputs? 2. Were objectives achieved on time? Were the project objectives attained without delay? 3. Was the chosen project implementation approach the most efficient one available compared to other alternatives? 4. Are the activities and related inputs essential and adequate in realising the project's outputs? 5. (Action) Assess the technical, financial, and managerial aspects of project implementation. (This includes the use of norms, standards, organisation, and rules associated with technical and administrative actions, coordination of project, staff, and organisation of project reports, accounting documents, and data). 6. (Action) Assess the allocation of inputs, including their timing and suitability, indication of whether they are being provided on time and at the estimated cost, outline indication of likely future trends in input allocation considering the current situation, indication of cost effectiveness using unit costs, comparative costs per beneficiary, etc. 7. (Action) Assess the project's internal monitoring 8. (Action) Assess procurement procedures and the employment of consultants. 9. (Action) Assess the commitment of the recipient country.

2 Effeciency = $\frac{\text{Output}}{\text{Input}}$

Criteria	Questions to be considered
Impact	1. What changes have occurred as a result of the project, and why? What consequences have emerged from the project's implementation? 2. What real difference has the activity made to the beneficiaries? What is the actual impact of the project activity on the beneficiaries? 3. Is there a clear understanding of the field or sub-sector involved, including its main characteristics? 4. Has adequate consideration been given to the environmental impact and stakeholder participation (including local community), and ownership? Have environmental impact, project stakeholders such as the local community, and aspects such as participation and ownership been adequately considered? 5. Assessment of the post-project situation and the specific conditions of its intended direct or indirect beneficiaries, compared to the pre-project situation and initial expectations; assessment of whether the post-project situation is likely to be sustained over time. 6. What changes have occurred, in what direction, and over what period? (Action) Compare the pre-project situation and expected outcomes with the post-project situation and the specific conditions of the intended direct and indirect beneficiaries. Assess the nature, direction, and duration of the changes observed, as well as the likelihood of further changes occurring over time. 7. Assess the achievement of the project's Specific Objective(s) and its contribution to the overall Development Objective; critical analysis of the validity of the assumptions made; and presentation of the achievement indicators for each level of the project framework. (Action) Assess the extent to which the project's specific objectives have been achieved and how the project contributes to the broader development objective. Critically analyse the validity of the assumptions made and present the indicators of achievement for each level of the project framework

Criteria	Questions to be considered
	8. (Action) Assess the environmental impacts that have resulted from the project and compare them with the expected impacts. 9. (Action) Assess the environmental impacts resulting from the project and compare them with the expected impacts. 10. (Action) Assess all impacts of the project implementation on local communities, whether direct or indirect, and whether harmful or beneficial.
Sustainability	1. To what degree did the positive impacts of the project continue after donor funding was no longer provided? 2. Which key factors influenced the fulfilment and non-fulfilment of project sustainability? 3. Will the project's results be sustainable, financially and in other ways? Can the sustainability of the project results be ensured, financially and in other aspects? 4. Elaborate on the availability of human resources, as well as the financial and institutional provisions in place to guarantee sustainability (Action). Explain in detail the labour force availability and the financial and institutional provisions to guarantee sustainability (Action).

Additional issues specifically for mid-term evaluations

Questions to be considered	
Mid-term evaluations	1. Do the external events thus far coincide with the expectations of the project team or developers? 2. Do the project team's or developers' assumptions still appear valid? If they are not, assess the reasons why. 3. Has progress so far matched the implementation plan? If not, can action be taken to restore or improve the original project track? If not, what should be done? Is the project progressing according to the implementation plan? If it is not, is there any reason for it? If yes, provide reasons. 4. What actions can be taken to rectify or improve the situation and place the project back on the right track? 5. Is the project still valid in terms of its Specific Objective(s) and planned outputs? If not, what changes, if any, need to be made? Is the project still justifiable by its specific objectives and planned outputs? Is it necessary to make any changes? 6. Is the project budget, including its initial cost-effectiveness, still reasonable? Are the expected outcomes and impacts materialising? If not, what corrective actions should be taken?

Additional issues specifically for ex-post evaluations

Questions to be considered	
Ex-post evaluations	1. What happened to the project, and what problems were encountered? 2. Were inputs provided as planned, and were work schedules observed? 3. Were the expected outputs achieved? 4. What problems (if any) caused delays and what consequences did this have for implementation? Are there any problems which lead to delays in the project and what are the impacts of these problems and delays on the implementation process? 5. Was the project adequately managed and executed? 6. Are the actual project costs consistent with the approved budget?

Questions to be considered	
	7. Were the specific objectives of the project applicable? 8. Have the specific objectives of the project been attained? 9. Were there any changes to these objectives during the implementation process? 10. Were there any unexpected results or impacts, either harmful or beneficial? 11. Who are the actual beneficiaries of the project? 12. Could the project's specific objectives have been achieved at a lower cost or through an alternative project design? 13. What key lessons were learnt from the project's implementation? 14. What positive or negative factors contributed to the project's success or failure? 15. Does the project present new challenges or issues that require examination during the design of subsequent interventions? 16. What recommendations can be drawn directly from this project for the implementation of similar projects in the future or for the continued operation and sustainability of the project itself?

Annex No.20: *Evaluation Weighted Scoring Matrix*

The following checklist includes guiding questions and actions to support the evaluation of the project.

To ensure objectivity, comparability, and evidence-based decision-making, each criterion is assigned a standard weight, and evaluators apply a 1–5 score per criterion.

- The total weighted score determines the overall project performance rating.
- Not all questions need to be considered during every evaluation.

Criteria	Standard Weight (%)	Score Range (1–5)	Weighted Score Formula	Purpose
Relevance	20	1–5	(Score ÷ 5) × Weight	Assesses alignment of the project with strategic priorities, objectives, and rationale.
Effectiveness	20	1–5	(Score ÷ 5) × Weight	Measures the achievement of objectives and likelihood of expected outcomes.
Efficiency	15	1–5	(Score ÷ 5) × Weight	Evaluates cost-efficiency, timeliness, and optimal use of resources.
Impact	20	1–5	(Score ÷ 5) × Weight	Examines the real impact of the project and its broader developmental effects.
Sustainability	15	1–5	(Score ÷ 5) × Weight	Reviews the likelihood of maintaining positive results beyond the project implementation period.
Additional (Mid-Term)	10	1–5	(Score ÷ 5) × Weight	Captures adaptive management, lessons learned, and validity of assumptions.
Total	**100**		**ΣWeighted Scores**	**Maximum Total Score = 100%**

Scoring Guide

- **5 – Excellent** - Fully meets or exceeds expectations
- **4 – Good** - Substantially meets expectations
- **3 – Satisfactory** - Adequately meets most expectations
- **2 – Weak** - Meets some expectations but with notable gaps
- **1 – Poor** - Fails to meet most expectations

Performance Rating Guide

Score Range	Rating	Interpretation
85–100%	Excellent	Fully meets or exceeds all performance expectations.
70–84%	Satisfactory	Meets most expectations with some areas for improvement.
50–69%	Weak	Meets some expectations but with significant gaps.
< 50%	Poor	Fails to meet most expectations; requires major action.

***Annex No.21:** (Mid-term/Ex-post) _ Evaluation Report*

Project Details

INSTRUCTIONS: *Complete the following table with details of the projects.*

Project code	<Insert code of projects >
Project name	<Insert title of projects>
Location	<Insert the country, region, district, etc. for the project>
Project duration	Start date: End date:
Main objective	<Insert the name of the person who prepared this report>
Budget and Source of Finance	<Insert Total approved amount of Budget, Total disbursed amount, and Source of financing >
Summary of Evaluation Report	
Evaluation Period	
Evaluation Site	
Evaluation Check Points	(To include key issues and constraints.)

Contents

1. Introduction

(Provide the rationale for undertaking the project evaluation and describe the general purpose of evaluations, including the type of evaluation being conducted and any specific aspects being assessed.)

<Insert text here>

2. Evaluation Scope and Methodology

- *(To elaborate on the purpose of the evaluation, and the reason for undertaking it)*
- *(To elucidate the scope and focus of the evaluation)*
- *(To introduce the members, profession, nationality, and further relevant background)*
- *(To set out the approach of the task; sources of data, collection methods, and measures adopted to ensure reliability of data collected. (field visits, meetings, feedback on preliminary findings, and the duration of the evaluation), based on the criteria of evaluation: relevance, effectiveness, efficiency, impact, and sustainability)*

2.1 Evaluation Scope

(Evaluation of projects adopts the criteria and indicators for evaluation – Relevance, Effectiveness, Efficiency, Impact, and Sustainability, and each specific evaluation factor is developed based on them. Under the evaluation criteria, the evaluation questions can be composed at each stage of the project logical framework.)

2.2 Evaluation methodology

(Based on the indicators developed, a research portfolio will be set up, and the evaluation matrix will be established, consisting of detailed evaluation criteria and quantitative/qualitative research methods.)

- **Evaluation Matrix**

(To check 'x' at each box where the method will be used to evaluate the corresponding criteria)

Method Evaluation criteria	Document analysis	Data and statistics analysis	Interview with the local people and beneficiaries	Interview with the project Stakeholders and implementers	Questionnaire survey of the target group	On-site field trip and survey
Relevance						
Effectiveness						
Efficiency						
Impact						
Sustainability						

- **Evaluation framework**

Evaluation criteria	Detailed Evaluation Criteria	Indicator/ checkpoints	Means of verification
Relevance	e.g., Alignment with the Dira 2050 needs and strategy		e.g. Dira 2050
	e.g., Consistency with the National Priorities		e.g., Document and interview
Effectiveness			
Efficiency			
Impact			
Sustainability			

2.3 Evaluation limitations

(To describe the limitations of the evaluation)

3. Outline of the Project

(To summarize the most essential information and facts to understand the project's intervention. It gives a brief description of the project, including:

- *relevant background, including origin of the project;*
- *development objective;*
- *main problems to address;*
- *specific objective(s) and outputs;*
- *project rationale;*
- *starting date, duration, and date of any former evaluation; and,*
- *executing agency and collaborating agencies.)*

4. Key Findings and Lessons Learned

4.1 Findings

- *Achievements of the project - (To describe the achieved outputs compared to the planned ones)*
- *Process of project formulation and implementation - (To review the process of project formulation and implementation, considering stakeholders, appropriateness of project design, etc., based on the evaluation criteria)*
- *The project proposal appraisal process - (To check whether observed failures of the project could be predicted in advance at the stage of development of the project proposal)*

(If not, describe what kind of indicators would be needed to prevent the failures)

4.2 Lessons learned

(To describe the corresponding lessons learned.)

5. Conclusions and Recommendations

5.1 Conclusions

(To highlight outstanding conclusions according to the headings used in Section 4.)

5.2 Recommendations

(To describe recommendations grouped according to the five criteria of evaluation: relevancy, effectiveness, efficiency, impact, and sustainability)

6. Appendix

(To include audio-visual records of monitoring and any other relevant documents to support the report

Annex No.22: *Monitoring & Evaluation Plan (M&E Plan)*

<Logo>

<Organisation Name>

<project title>

Mid-term/Ex-post Evaluation Plan

INSTRUCTIONS:

Instructions for this template are shown in red and yellow. Delete all instructions before submitting your M&E Plan.

Items to be completed are highlighted in grey. Remove the grey highlighting before submitting your proposal.

Contents

INSTRUCTIONS: ***Update the Table of Contents as the final step before submitting your M&E Plan.***

Acronyms

INSTRUCTIONS: *Delete any acronyms that you do not use in your M&E Plan. Add any additional acronyms that you use. Acronyms should ONLY be used for things that appear more than 15 times in your plan. If something appears less than 15 times, it should be written out in full every time. The first time you use an acronym, it should be written out in full with the acronym in parentheses afterward.*

M&E	Monitoring and Evaluation
MoH	Ministry of Health
NGO	Non-Governmental Organisation
TOT	Training of Trainers
NPC	NPC
TDV	Tanzania Development Vision

Introduction

INSTRUCTIONS: Complete this section with background details.

Purpose of this plan

<Describe what the purpose of the monitoring and evaluation plan is, such as who prepared it, for which audience, and why>

Project summary

<Provide basic information on the project that this monitoring and evaluation plan is for>

Title	<Insert>
Starting Date	<Insert>
Duration	<Insert>
Partners	<Insert>
Target Area	<Insert>
Beneficiaries	<Insert>
Cost	<Insert>
Funding Source	<Insert>
Goal	<Insert>

Logical Framework

INSTRUCTIONS: *Complete the following logical framework table, describing the project's goal, outcomes, outputs, and activities.*

	PROJECT SUMMARY	INDICATORS	MEANS OF VERIFICATION	RISKS / ASSUMPTIONS
Goal	<Insert>	<Insert>	<Insert>	<Insert>
Outcomes	<Insert>	<Insert>	<Insert>	<Insert>
Outputs	<Insert>	<Insert>	<Insert>	<Insert>
Activities	<Insert>	<Insert>	<Insert>	<Insert>

Indicators

INSTRUCTIONS: *For each indicator listed in the previous log frame table, describe precisely what the indicator is and how it will be measured. An example is shown below. Copy and paste the table as many times as required for completing all the indicators.*

Indicator	Reading proficiency among children in Grade 6
Definition	The sum of all reading proficiency test scores for all students in Grade 6 divided by the total number of students in Grade 6.
Purpose	To assess whether reading proficiency at the schools participating in the program is improving over time. This would provide evidence on whether the reading component of the program is effective.
Baseline	Average score: 47
Target	Average score: 57
Data Collection	The class teacher will conduct a reading proficiency test for all students in the class. Each student will be assessed individually in a separate room. The teacher will ask them to read a list of words, sentences, and paragraphs out loud and will mark each one that they have difficulty with. Any students not present on the day of the assessment will be excluded.
Tool	National Reading Proficiency Assessment questionnaire (See Annex A)
Frequency	Every 6 months
Responsible	Teachers
Reporting	The individual score for each student will be reported in the six-monthly progress reports submitted by each teacher to the Program Manager. The Program Manager will then combine the data from each class to create full list of students and their scores. This will be used to calculate the average score for all Grade 6 students using the definition above. The average score will be included in the donor report submitted every six months.
Quality Control	All teachers will attend a one-day training complete the assessment. To verify the accuracy of the test scores submitted by the teachers the Program Manager will randomly select one class every six months to audit. This audit will involve retesting all students in the class and comparing the results with those submitted by the teacher.

Indicator	<Insert>
Definition	<Insert>
Purpose	<Insert>
Baseline	<Insert>
Target	<Insert>
Data Collection	<Insert>
Frequency	<Insert>
Responsible	<Insert>
Reporting	<Insert>
Quality Control	<Insert>

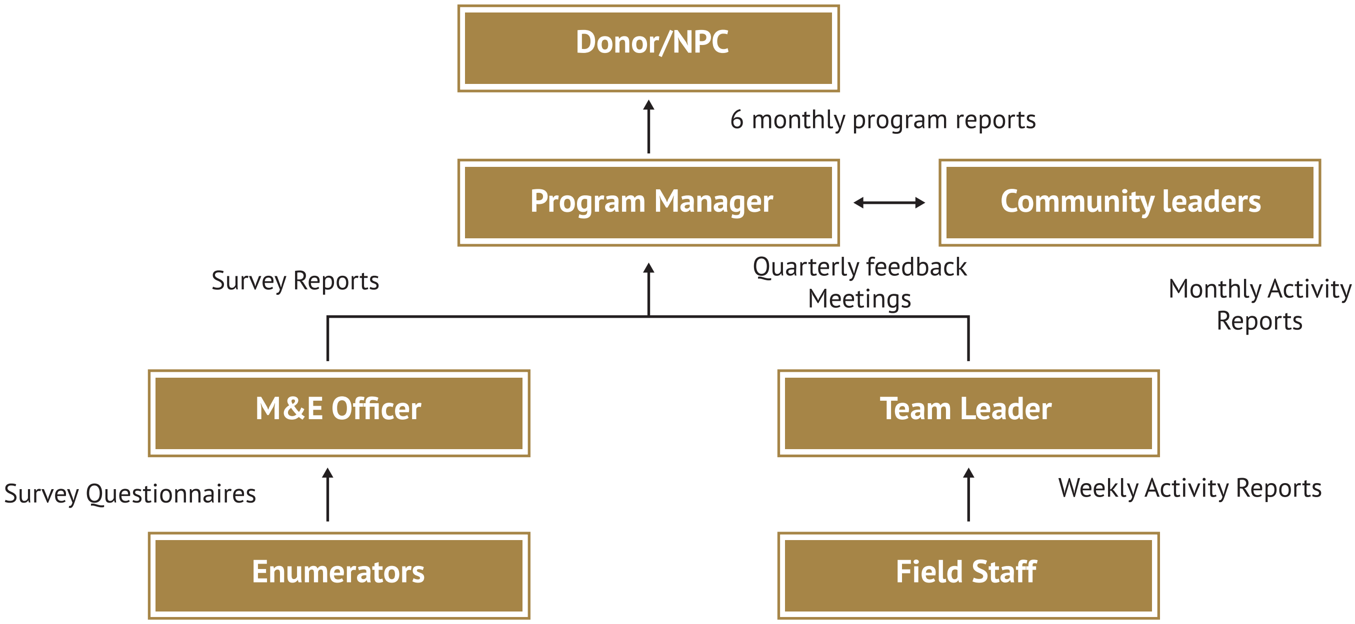
Roles & Responsibilities

INSTRUCTIONS: *List each role in the organisation and their specific responsibilities for monitoring and evaluation. This may include collecting and checking data, conducting analysis, reviewing reports, and making decisions based on the data.*

Role	Responsibilities
<Insert>	<Insert>
<Insert>	<Insert>
<Insert>	<Insert>
<Insert>	<Insert>
<Insert>	<Insert>
<Insert>	<Insert>
<Insert>	<Insert>
<Insert>	<Insert>

Data Flow

INSTRUCTIONS: *Insert a flow chart and description showing how the monitoring data will flow from the place where it is collected up to the management team and then to other stakeholders, including NPC. An example is shown below*



<Insert description of the data flow process>

Data Management

Storage

<Describe how the data collected will be stored. For example, will it be stored in a spreadsheet, a database, hard copies, etc.? How will it be backed up? How long will it be stored for? Data for different indicators may be stored in different ways>

Analysis

<Describe which software/tools will be used to analyze the data, such as SPSS, Stata, Excel, Tableau Public, etc.>

Privacy

<Discuss any privacy issues with the data and how they will be addressed. For example, if you are collecting personal medical records, how will they be kept confidential, who will have access to them, when will they be destroyed, etc>

Appendices

INSTRUCTIONS: *Add any necessary appendices. At a minimum, this should include the tools (questionnaires, interview guides, procedures, etc.) used to measure each indicator.*

<Tool Title>

<Insert tool>

<Tool Title>

<Insert tool>

<Tool Title>

<Insert tool>

Annex No.23: *Monitoring Visit Report*

Visit Details

INSTRUCTIONS: *Complete the following table with details of the visit.*

Completed by	<Insert>
Location	<Insert>
Dates	<Insert>
Objectives	<Insert>

Agenda

INSTRUCTIONS: *Complete the following table with the visit agenda*

The following activities were completed as part of the monitoring visit:

Date	Time	Activity	Participants
<Insert>	<Insert>	<Insert>	<Insert>
<Insert>	<Insert>	<Insert>	<Insert>
<Insert>	<Insert>	<Insert>	<Insert>
<Insert>	<Insert>	<Insert>	<Insert>
<Insert>	<Insert>	<Insert>	<Insert>
<Insert>	<Insert>	<Insert>	<Insert>
<Insert>	<Insert>	<Insert>	<Insert>
<Insert>	<Insert>	<Insert>	<Insert>
<Insert>	<Insert>	<Insert>	<Insert>

General Observations

INSTRUCTIONS: *Insert your general observations from the monitoring visit here. This may range from a few paragraphs to a few pages. Include photos, case studies, and quotes to illustrate your points.*

<Insert text here>

Specific Issues & Actions

INSTRUCTIONS: *List the specific issues/problems that were identified during the visit. Then identify the actions needed to solve the problem. This should include the specific individual responsible for taking the action and the date by which it should be completed.*

Issue identified	Actions to be taken
Example: The agricultural training activity that we observed on the 6th of January 2025 did not meet the quality standards provided by the head office. The Programme Manager said that this is because their local trainers have not been briefed on the guidelines.	**Technical Advisor:** Organise a briefing session for the local trainers by the 30th February 2025 on the quality guidelines. Provide ongoing coaching to help them implement the guideline. **Program Manager:** Ensure that all agricultural trainers are following the quality guidelines by 30th March 2025 and conduct supervision visits to verify this.
<Insert>	<Insert>
<Insert>	<Insert>
<Insert>	<Insert>
<Insert>	<Insert>
<Insert>	<Insert>
<Insert>	<Insert>
<Insert>	<Insert>

Next Visit

INSTRUCTIONS: *Provide details of when the next monitoring visit will be. The objectives of the next visit should align with the issues and actions identified during this visit. For example, if the quality of activities is an issue, the next visit should observe the same activities to ensure the quality has improved.*

The details of the next monitoring visit are:

To be completed by	<Insert>
Location	<Insert>
Dates	<Insert>
Objectives	<Insert>

Annex No.24: *Risk form*

project DETAILS	
Project Name: *Name of the project to which the risk relates* Project Code: Project Implementer: *Name of the project Implementer responsible for addressing the risk*	
RISK DETAILS	
Raised By: Name of person who is raising and reporting the risk Date Raised: Date of completion of this form	
Risk Description: *Describe the identified risk and its likely impact on the project (e.g., scope, resources, deliverables, timescales, and/or budgets), briefly, should it occur.*	
Risk Likelihood: *Describe and rate the likelihood that the risk will eventuate (i.e., Low, Medium, or High).*	**Risk Impact:** *Describe and rate the impact on the project if the risk eventuates (i.e., Low, Medium, or High).*
RISK MITIGATION	
Recommended Preventive Actions: *Describe briefly the actions to be taken to prevent the risk from eventuating.* *Recommended Contingent Actions:* *Describe briefly the actions to be taken if the risk eventuates, to minimize its impact on the project.*	
Supporting Documentation:	
Supporting Documentation: *Reference any supporting documentation used to substantiate this risk (risk heatmap/profiling).*	

Annex No.25: *Risk Register Template*

Project Name														
Project Code														
Project Implementer														
Date Raised				Risk Description		Risk Priority			Preventative Actions			Contingency Actions		
ID	Date raised	Raised by	Received by	Description of Risk	Description of Impact	Likelihood Rating	Impact Rating	Priority Rating	Preventative Actions	Owner	Date	Contingency Actions	Owner	Date

Annex No.26: *Concept Level Financing Option Assessment Template*

CONCEPT LEVEL FINANCING OPTION ASSESSMENT TEMPLATE				
Review the project Concept and assess if each criterion listed below is "Low", "Medium", or "High" in the assessment column. Then, for each assessment, select between "Government", "Combination", and "Private" based on the guide provided under section 3.2.2. Count the number of times each option is selected and insert the results in the bottom row, below the respective option. The option with the highest occurrence should be selected as the preferred mode				
S/N	**Assessment Criteria**	**Assessment (Low/Mid/ High)**	**Financing Option (Government, Combination, Private)**	**Reason for The Score**
1	Revenue and Sustainable Cashflow Potential			
2	Project Risks (Financial, Technical, Operational, etc)			
3	Practicality of Isolating Project Cash Flows and Activities			
4	Project Implementation Urgency			
5	Political Sensitivity			
6	Capital Intensity			
7	Clarity and Ease of Setting Performance Indicators			
8	Capacity to Oversight and M&E			
9	Legal and Regulatory Readiness			
10	Private Sector/Investor Appetite			
11	Project Ownership and Control Preference			
12	Innovation and Technology Requirement			
13	Need for Long-term Sustainability and Maintenance			
Score		**Government**	**Combination**	**Private**
Number of Times Each Option Appears				

Annex No.27: *Project Performance Scoring*

Each project shall be assessed against a standardized **Performance Scoring Matrix** that evaluates implementation progress across key result areas. A **minimum performance threshold** will be required before additional disbursements are made.

Performance Area	Key Performance Indicators	Weight (%)	Scoring Scale	Description of Scoring
Physical Implementation Progress	- % of completed activities vs approved work plan- Milestone achievement rate	25%	0–5	**0 -** No implementation progress; milestones not initiated. **1 -** Minimal progress (<20%); significant delays or stalled activities. **2 -** 20–49% completion; major delays against schedule. **3 -** 50–74% completion; some milestones achieved but behind schedule. **4 -** 75–94% completion; minor delays, but overall, on track. **5 -** ≥95% completion; milestones achieved or exceeded on time

Performance Area	Key Performance Indicators	Weight (%)	Scoring Scale	Description of Scoring
Financial Performance	- Budget absorption rate- Variance between planned and actual expenditure- Timeliness of financial reporting	20%	0–5	**0 -** <40% absorption; no or late financial reporting; major financial variances. **1-** 40–59% absorption; irregular reporting; significant variances. **2 -** 60–74% absorption; partial reporting; moderate variances. **3 -** 75–84% absorption; reporting mostly on time; manageable variances. **4 -** 85–94% absorption; timely reporting; minor variances. **5 -** ≥95% absorption; timely and complete reporting; full financial compliance.
Results and Outcomes	- Achievement of output/outcome indicators- Beneficiary reach and impact metrics	20%	0–5	**0 -** No results delivered. **1 -** ≤20% of output targets achieved; no measurable outcomes. **2 -** 21–49% of targets achieved; weak evidence of outcome. **3 -** 50–74% of targets achieved; moderate progress toward outcomes. **4 -** 75–94% of targets achieved; good outcome evidence. **5 -** ≥95% of targets achieved or exceeded; strong outcome and impact evidence.

Performance Area	Key Performance Indicators	Weight (%)	Scoring Scale	Description of Scoring
Compliance and Governance	- Adherence to legal, regulatory, and fiduciary requirements- Environmental and social safeguards compliance	15%	0–5	**0 -** Major violations of laws/regulations; serious environmental or fiduciary breaches. **1 -** Multiple non-compliance issues; critical audit **2 -** Some non-compliance; major issues under resolution. **3 -** Minor compliance gaps; corrective measures in progress. **4 -** Full compliance with minor observations. **5 -** Full compliance; no audit or findings pending; good governance practices observed.
Risk Management and Reporting	- Effectiveness of risk mitigation actions- Quality and timeliness of reporting and performance data	10%	0–5	**0 -** No risk register, reporting, or mitigation actions. **1 -** Risk management plan exists, but is not implemented. **2 -** Limited mitigation measures; inconsistent reporting. **3 -** Active risk tracking and reporting with moderate effectiveness. **4 -** Strong risk control and timely reporting; issues promptly addressed. **5 -** Robust and proactive risk management; issues anticipated and mitigated before escalation.

Performance Area	Key Performance Indicators	Weight (%)	Scoring Scale	Description of Scoring
Stakeholder Engagement & Feedback	- Level of community participation- Beneficiary satisfaction score- Responsiveness to grievances	10%	0–5	**0 -** No engagement with stakeholders or beneficiaries. **1 -** Minimal engagement; no structured feedback mechanism. **2 -** Occasional engagement; weak feedback system. **3 -** Regular engagement; functional grievance mechanisms. **4 -** Active engagement; positive feedback trends; timely response to issues. **5 -** Structured and inclusive engagement; high beneficiary satisfaction; transparent and responsive grievance redressal.

Note;

- **Total Score: 100%**
- **Performance Rating = Sum of weighted scores**
- **Minimum threshold for disbursement: 70%**
- **Scores below the threshold trigger corrective action and conditional funding rather than automatic release.**

Performance Rating	Disbursement Decision	Management Action
⩾ 85%	Full disbursement approved	Commendation, fast-track approval for next tranche
70–84%	Partial/conditional disbursement	Require corrective action plan before next release
50–69%	Disbursement withheld pending remedial action	Performance review and technical support to address bottlenecks
< 50%	Suspension of further disbursement	Escalation to higher authority; possible project restructuring or termination

Annex No.28: *The Guideline Dashboard Indicators with Definitions & Calculation*

PROJECT PIPELINE INDICATORS (Identification Stage)

Indicator	Definition	Calculation / Formula	Purpose
Total number of projects Identified	Total number of projects submitted to NPC during the identification stage	Count of all project entries in e-Delivery	Shows pipeline volume
% of projects with Complete Concept Notes	Measures readiness of concept notes based on the Guideline requirements	(Number of complete concept notes ÷ Total concept notes submitted) × 100	Measures quality and completion
Alignment Score with FYDP/Dira 2050	Degree to which project aligns with national priorities	Scoring rubric (0–100%) based on alignment criteria	Ensures policy alignment
% of projects with Climate Screening	Proportion of project screened for climate & environmental risks	(project with climate change risk assessment ÷ Total identified projects) × 100	Ensures climate compliance
% of projects Integrating Gender & Disability Issues	Tracks inclusion of cross-cutting issues	(projects with gender/PLWD integration ÷ Total project) × 100	Ensures inclusivity

project APPRAISAL INDICATORS

Indicator	Definition	Calculation / Formula	Purpose
Number of projects submitted for Appraisal	Total projects formally submitted to NPC for appraisal	Count of project submissions	Pipeline visibility
% of projects Fully Appraised	Measures compliance with appraisal requirements	(projects fully appraised ÷ projects submitted) × 100	Quality control
Economic Viability Index (EVI)	Combined economic metrics (NPV, IRR, BCR)	Weighted score: (NPV + IRR + BCR Score) ÷ 3	Measures economic feasibility
Social Impact Score	Score based on social benefits and community impact	Scoring matrix – e.g., 1–5 or 1–10	Shows social value
% projects with EIA Completed	Environmental assessment completeness	(projects with EIA ÷ Total projects requiring EIA) × 100	Safeguard compliance

PROJECT PRIORITIZATION INDICATORS

Indicator	Definition	Calculation / Formula	Purpose
Total number of Prioritised projects identified	Counts all projects that have been formally Prioritised for implementation.	Total number of Prioritised projects identified during planning	Shows the scale and scope of priority actions requiring resource alignment.
Total number of Prioritised projects Funded	Measures how many Prioritised projects have secured an approved budget for implementation.	Count of Prioritised projects with confirmed funding	Tracks resource availability and readiness for implementation of priority actions.

Indicator	Definition	Calculation / Formula	Purpose
% Prioritised projects Funded	Compares funded Prioritised projects against those still awaiting budget.	(Prioritised projects funded ÷ Prioritised projects) × 100	Assesses budget responsiveness and efficiency in allocating resources to priority interventions.
Prioritization Score per project	Score based on the Guideline prioritization criteria	Weighted average of prioritization factors	Supports ranking decisions
% projects Meeting Prioritization Threshold	Proportion of projects above approval threshold	(projects scoring ≥70% ÷ Total appraised projects) × 100	Ensures only viable projects advance
Number of projects Recommended for Funding	Approved projects post-ranking	Count of approved projects	Controls the funding pipeline
Cross-Sector Balance Score	Distribution of recommended projects by sector	% allocation by sector versus national target	Reduces sectoral imbalance
Number of Prioritised projects	Counts all projects that have been formally Prioritised for implementation.	Total number of Prioritised projects identified during planning	Shows the scale and scope of priority actions requiring resource alignment.
Ratio of Prioritised projects Funded to Prioritised projects Waiting for Budget	Compares funded Prioritised projects against those still awaiting budget.	(Prioritised projects funded ÷ Prioritised projects) × 100	Assesses budget responsiveness and efficiency in allocating resources to priority interventions.

FINANCING INDICATORS

Indicator	Definition	Calculation / Formula	Purpose
Total Financing Required	Total budget for approved projects	Sum of budgets of approved projects	Shows financing needs
Government Development Budget Allocation to projects	Share of GDB allocated to the project	(project allocation ÷ Total GDB) × 100	Tracks compliance
% Funding Secured	Funding commitments secured	(Confirmed funding ÷ Total required funding) × 100	Identifies financing gaps
Disbursement Rate	Release of funds against the planned amount	(Funds disbursed ÷ Funds planned) × 100	Monitors financial execution
Number of Approved PPP projects	Number of projects under the PPP modality	Count	Shows PPP engagement

IMPLEMENTATION PERFORMANCE INDICATORS

Indicator	Definition	Calculation / Formula	Purpose
Physical Progress (%)	Completion of physical milestones	(Completed milestones ÷ Planned milestones) × 100	Tracks implementation progress
Financial Progress (%)	Expenditure vs budget	(Actual expenditure ÷ Approved budget) × 100	Monitors spending discipline
Cost Variance	Difference between planned and actual cost	Actual Cost – Planned Cost	Detects overruns

Indicator	Definition	Calculation / Formula	Purpose
Time Variance	Difference between planned and actual timeline	Actual Duration – Planned Duration	Identifies delays
No. of projects On-Track	projects meeting cost & time targets	Count	Shows performance health
No. of projects Delayed/At Risk	projects off-track	Count	Early warning
Contractor Performance Score	Score for contractor delivery	Weighted KPI score (e.g., 1–5)	Accountability

MONITORING & REPORTING INDICATORS

Indicator	Definition	Calculation / Formula	Purpose
% Timely Weekly/ Monthly Reports	Compliance with the Guideline reporting schedules	(Reports submitted on time ÷ Required reports) × 100	Improves monitoring discipline
Number of Issues Logged	Number of risks and challenges logged in e-Delivery	Count	Transparency
Number of Issues Resolved	Issues closed within the reporting period	Count	Tracks responsiveness
RYG Status	Red/Yellow/Green for each project	Based on preset KPI thresholds	Quick performance view
Risk Level Score	Assessment of project risks	Weighted scoring of risk factors	Supports risk mitigation

CLOSURE AND EXTENSION PERFORMANCE

Indicator	Definition	Calculation / Formula	Purpose
% Timeliness of Project Closure	Measures whether projects are formally closed within the approved timeframe and according to required procedures.	(Number of projects closed on time ÷ Total projects due for closure) × 100	Ensures timely completion, compliance with closure requirements, and availability of lessons learned for planning.
% Closure Documentation Compliance	Assesses completeness and quality of mandatory closure documents (reports, asset registers, financial statements).	(projects with complete closure documentation ÷ projects closed) × 100	Promotes accountability, transparency, and consistency in project closure processes.
Number of Extensions Approved	Tracks how many projects required timeline extensions beyond the original implementation period.	Count of approved extensions within the reporting period	Helps identify planning weaknesses, delays, or scope issues requiring management attention.
Average Extension Duration	Measures the typical length of time added to projects through approved extensions.	Sum of extension durations (days) ÷ Number of extensions approved	Supports analysis of delay patterns and improves forecasting and scheduling accuracy.
% Proportion of projects with Multiple Extensions	Shows how many projects required more than one extension, indicating persistent implementation challenges.	projects with ≥2 extensions ÷ projects implemented) × 100	Highlights systemic issues affecting project delivery and signals where corrective actions are needed.
Extension Justification Quality	Evaluates whether extension requests provide valid, evidence-based justification aligned with policy.	(Extensions with adequate justification ÷ Total extensions submitted) × 100	Reinforces proper governance, discourages unnecessary extensions, and strengthens decision-making.

EVALUATION INDICATORS

Indicator	Definition	Calculation / Formula	Purpose
% Projects Evaluated	Share of projects with midterm/final evaluations	(Evaluated projects ÷ Completed projects) × 100	Accountability
Outcome Achievement Score	Results achieved vs planned	(Achieved outcome targets ÷ Planned outcome targets) × 100	Measures success
Value for Money (VfM) Score	Combined measure of economy, efficiency, and effectiveness	Weighted VfM metric (1–5)	Determines VFM
Sustainability Rating	Likelihood project remains functional	Scoring: high/medium/low	Ensures long-term impact

INSTITUTIONAL PERFORMANCE INDICATORS

Indicator	Definition	Calculation / Formula	Purpose
MDA/LGA Compliance Score	Compliance with the Guideline and e-Delivery	Weighted score of compliance checklist	Institutional benchmarking
Appraisal Processing Time	Time taken to complete appraisal	Days between submission → approval	Measures efficiency
Quality of Submission Score	Completeness and correctness of submissions	Scoring rubric (1–5)	Improves document quality
Number of Officers Trained	Capacity-building progress	Count	Tracks readiness
e-Delivery Operational Status	Whether e-Delivery is installed and functional	Yes/No or % functional modules	Digital transformation indicator

GOVERNANCE & TEAM PERFORMANCE

Indicator	Definition	Calculation / Formula	Purpose
Number of NPC Executive Team Meetings Held	Meetings chaired by ES/NPC teams	Count	Governance compliance
% NPC Executive team & Technical team Decisions Implemented	Implementation of Team directives	(Implemented decisions ÷ Total decisions) × 100	Tracks accountability
Timeliness of Submissions	Timeliness of document submission to the NPC Executive team & Technical team	Average submission days vs deadline	Process discipline

Annex No.29: *Monthly & Quarterly Performance Scorecard Indicators*

MONTHLY PERFORMANCE SCORECARD INDICATORS

Monthly indicators should focus on **progress, efficiency, compliance, and emerging risks.**

Implementation Progress Indicators	% of Planned Activities Completed (Monthly)
	% of project Milestones Achieved
	Physical Progress vs. Planned (%)
	Number of Activities Delayed
	% of Activities Back on Track After Corrective Action

Financial Performance Indicators	Budget Disbursement Rate (%) – Monthly
	Absorption Rate (%)
	Variance Between Planned and Actual Expenditure
	% of Payments Processed on Time

Compliance & Institutional Indicators	% of Reports Submitted on Time
	% Compliance With the Guideline Requirements
	Procurement Progress (% of procurement packages completed vs. plan)

Risk Management Indicators	Number of Risks Reported
	% of Risks Mitigated
	New Issues Logged (Monthly)

Cross-Cutting Indicators	% Integration of Gender and Disability Inclusion Measures
	Environmental & Social Safeguards Compliance Score (%)
	Climate-Resilient Actions Implemented (Yes/No + count)

QUARTERLY PERFORMANCE SCORECARD INDICATORS

Quarterly indicators focus on **Progress, outcomes, strategic alignment, quality of implementation, and sustainability.**

Implementation Progress Indicators	% of Planned Activities Completed (Quarterly)
	% of project Milestones Achieved
	Physical Progress vs. Planned (%)
	Number of Activities Delayed
	% of Activities Back on Track After Corrective Action

Outcome & Results Indicators	Quarterly Outcome Achievement Rate (%)
	% Contribution of projects to National KPIs / ADP / FYDP
	% of projects Delivering Expected Results
	Beneficiary Reach (Quarterly count)

PROJECT Appraisal & Prioritization Indicators	% of project Proposals Appraised Using the Guideline Tools
	% of Type I, Type II, and Type III projects Meeting the Guideline Standards
	Number of projects Meeting Cost–Benefit / Feasibility Thresholds

Governance & Coordination Indicators	NPC Teams Meetings Held vs. Planned (%)
	Quality Score of Submissions to NPC
	Private Sectors and Stakeholder Engagement Sessions Conducted

Financial & Procurement Indicators	Quarterly Disbursement vs. Annual Budget (%)
	Procurement Completion Rate (%)
	Audit Issues Identified vs. Resolved (%)

Risk, Safeguards & Compliance Indicators	Quarterly Risk Rating (High/Medium/Low)
	% of ESIA Requirements Met
	% of Climate Resilience Measures Addressed
	% of projects Meeting Gender and Inclusion Benchmarks

Efficiency & Timeliness Indicators	project Time Overrun (%)
	Unit Cost Deviation (%)
	Quarterly Implementation Efficiency Score

COLOR SCALE FOR DASHBOARD

Performance Level	Score Range	Colour	Interpretation
Excellent	90–100%	Green	On track / no major issues
Satisfactory	75–89%	Yellow	Some delays / moderate risk
Poor	< 75%	Red	Off track / high risk/ attention needed

Indicator	Definition	Calculation	Weight (%)	Colour Rule
% Planned Activities Completed	Measures the progress of scheduled monthly activities	(Activities Completed ÷ Planned Activities) × 100	20%	Green ≥90%, Yellow 70–89%, Red <70%
Physical Progress vs Plan	Tracks completion of physical milestones vs. the monthly target	(Actual Physical Progress ÷ Planned Progress) × 100	15%	Green ≥90%, Yellow 75–89%, Red <75%
Budget Absorption Rate	Shows efficiency in monthly fund utilization	(Actual Expenditure ÷ Released Funds) × 100	15%	Green ≥85%, Yellow 60–84%, Red <60%
% Planned vs Actual Expenditure	Measures deviation from the expenditure plan	(Actual Expenditure ÷ Planned Expenditure) × 100	10%	Green: 90–110% (expenditure aligned to plan) Yellow: 75–89% or 111–125% (moderate underspending/ overspending) Red: < 75% or > 125% (significant deviation from plan)

Indicator	Definition	Calculation	Weight (%)	Colour Rule
Procurement Progress	Completion level of procurement activities planned for the month	(Completed Procurement Packages ÷ Planned Packages) × 100	10%	Green ≥90%, Yellow 70–89%, Red <70%
Timeliness of Reports	Measures compliance with reporting deadlines	(Reports Submitted on Time ÷ Reports Due) × 100	10%	Green 100%, Yellow 80–99%, Red <80%
Risk Management (Risks mitigated)	Tracks the effectiveness of mitigation actions	(Risks Mitigated ÷ Risks Identified) × 100	10%	Green ≥80%, Yellow 50–79%, Red <50%
Gender & Disability Inclusion	Measures the integration of cross-cutting issues in project implementation	(Inclusive Activities Implemented ÷ Planned Inclusive Activities) × 100	5%	Green ≥80%, Yellow 50–79%, Red <50%
Safeguards & Climate Compliance	Assesses compliance with climate, environmental & social safeguards	(Compliant Activities ÷ Required Safeguard Activities) × 100	5%	Green ≥90%, Yellow 75–89%, Red <75%

Quarterly Indicator Definitions, Calculations, and Scorecard Rules

Indicator	Definition	Calculation	Weight (%)	Colour Rule
Outcome Achievement Rate	Measures the delivery of quarterly project outcomes	(Achieved Outcomes ÷ Planned Quarterly Outcomes) × 100	20%	Green ≥90%, Yellow 75–89%, Red <75%
Contribution to FYDP/ADP KPIs	Assesses alignment with national development results	(Achieved KPI Contributions ÷ Planned Contributions) ×100	15%	Green ≥90%, Yellow 75–89%, Red <75%
Quality of documents: Submissions to NPC	Evaluates the completeness, accuracy & compliance of project submissions	Scored using NPC quality checklist (0–100%)	10%	Green ≥85%, Yellow 70–84%, Red <70%
PROJECT Appraisal Compliance (the Guideline)	Measures adherence to the Guideline appraisal requirements	(Compliant Appraisals ÷ Submitted projects) × 100	10%	Green ≥90%, Yellow 75–89%, Red <75%
Financial Disbursement vs Annual Budget	Tracks quarterly allocation and spending against the annual plan	(Quarterly Disbursement ÷ Annual Budget) × 100	15%	Green ≥90%, Yellow 70–89%, Red <70%
Procurement Completion Rate	Level of completion of annual procurement packages	(Completed Packages ÷ Annual Packages) × 100	10%	Green ≥85%, Yellow 60–84%, Red <60%
ESG, Climate & Safeguards Compliance	Compliance with environmental, social & climate-risk standards	(Compliant Safeguard Items ÷ Required Items) ×100	10%	Green ≥90%, Yellow 75–89%, Red <75%
Risk Rating & Response	Quarterly assessment of risk levels & response actions	Qualitative score (Green=Low, Yellow=Medium, Red=High)	5%	Based on the rating

Indicator	Definition	Calculation	Weight (%)	Colour Rule
Private Sector & Stakeholder Engagement Progress	Engagements completed to support project implementation	(Engagements Conducted ÷ Planned Engagements) × 100	5%	Green ≥80%, Yellow 50–79%, Red <50%

Evaluation of the project shall follow the Evaluation Plan prepared and approved during the project Identification and Appraisal stages.

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