



Summary of findings from the CoST Tanzania Assurance Process 2018

What is CoST?

CoST – the Infrastructure Transparency Initiative – works with governments, industry and local communities around the world to get better value from public infrastructure investment by increasing transparency and accountability.



CoST is a multi-stakeholder initiative with participating countries spanning four continents. CoST promotes transparency by disclosing data from public infrastructure investment, helping to inform and empower citizens, enabling them to hold decision-makers to account.

With a track record of saving money, delivering legal and institutional reforms and building the capacity of stakeholders, the initiative is ideally placed to drive future efforts on increasing transparency, accountability and cost-effectiveness in the delivery of public infrastructure.

The core features of CoST

CoST comprises three core features which provide a global standard for transparency and accountability in the delivery of public infrastructure. This standard is flexible, allowing it to be applied in different political, economic, regulatory and social contexts. The core features of CoST are:

Disclosure



CoST increases transparency by disclosing data on public infrastructure projects. Forty data points are disclosed at key stages throughout a project cycle, as set out in the CoST Infrastructure Data Standard (IDS). Ultimately, a national programme establishes a disclosure process for public infrastructure that is viable, sustainable and appropriate to local conditions and that can achieve a credible and substantial level of compliance. For further information on disclosure, see **Guidance Note 6: Designing a Disclosure Process**.

Assurance



CoST promotes accountability through an independent review of the disclosed data. Through this assurance process, CoST validates technical data, interprets it into plain language and identifies issues of concern. This helps stakeholders to understand the main issues and acts as a basis for holding decision-makers accountable. For further information on assurance, see **Guidance Note 7: Designing an Assurance Process**.

Multi-stakeholder working



In each country, CoST is directed by a Multi-Stakeholder Group (MSG) that comprises representatives of government, the private sector and civil society. By providing a neutral forum, CoST helps these key stakeholders pursue shared objectives to improve the value, efficiency and effectiveness of investment in public infrastructure. For further information on multi-stakeholder working, see **Guidance Note 4: Establishing a Multi-Stakeholder Group and National Secretariat**.

CoST Tanzania Assurance Report 2018

In 2017 CoST Tanzania began its assurance process on two major projects and one Water Programme in Tanzania. The projects include the TAZARA Intersection Project and the NSSF Dungu Housing Project. The programme focused on analysis of the Water Sector Report 2016. These projects are assessed within the CoST Tanzania Assurance Report 2018 and a summary of findings are presented below.

Summary of the NSSF Dungu Housing Project

Project owner: National Social Security Fund (NSSF)

Key issues: Key project objectives are unlikely to be achieved.



Group photo of CoST Tanzania AGM 2017 participants.

CoST Tanzania, an Initiative hosted by the National Construction Council, is pleased to share with the public the report on assurance undertaken on the TANROADS TAZARA Intersection Project, the Water Sector Report 2016 and the NSSF Dungu Housing Project. The full reports are available on the CoST Tanzania website: www.ncc.go.tz/cost.html.

Project Objective 1: INVEST FOR INCOME GENERATION TO THE FUND

Key indicator	Status
a. Location	Dungu Village, 28 kms. from Kivukoni, Dar Es Salaam
b. Number of housing units to be constructed	439. The design included a police station that was later replaced with a housing unit with exactly same value. Project owner did not give details of this change. This is one issue of concern to CoST.
c. Construction started	31 st January, 2014
d. Planned completion date	31 st July 2016; extended to 31 st December 2017
e. Status on 31 st December 2017	Information not released by PE
– Completed contracts	Information not released by PE
– Completed units	Information not released by PE
f. Number of units sold as of 31 st December 2017	NIL
g. Number of units rented as of 31 st December 2017	NIL
h. Estimated completion cost	TZS 87,023,584,983
i. Land and settlement impact	CAG has queried true value of land and Parliament has been asked to commission forensic audit. *

Project Objective 2: IMPROVE SOCIAL LIFE

Key indicator	Status
Rent affordability	Rent not yet set*

Project Objective 3: PROMOTE LOCAL CONTRACTORS

Key indicator	Status
a. Number of Local Contractors undertaking contracts	13
b. Value of Work undertaken by Local contractors	*

Project Objective 4: PARTICIPATE IN ALLEVIATING ACCOMMODATION DEFICIT IN THE COUNTRY

a. Number of units complete as of 31 st December 2017	*
b. Number of units occupied as of 31 st December 2017	*

Project Objective 5: CREATE EMPLOYMENT OPPORTUNITIES TO TANZANIANS

Number of Tanzanians employed by the project	*
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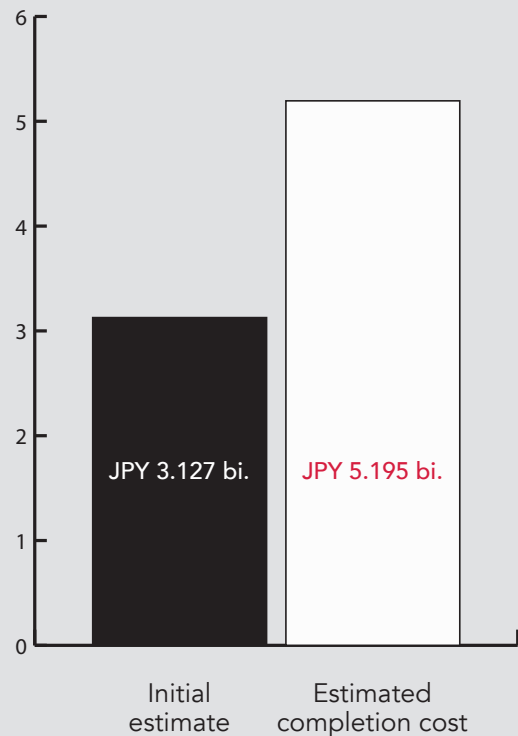
*Some critical information on the project requested by NCC / CoST Tanzania had not been provided by time of publication of this report.

Summary of findings TANROADS TAZARA Intersection Project

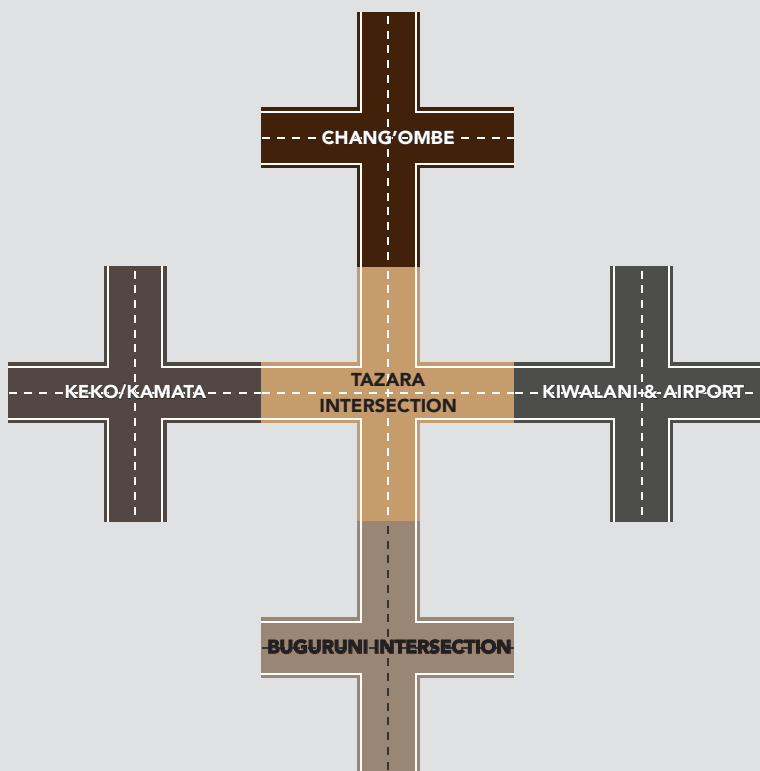
National Construction Council, on behalf of CoST Tanzania, is pleased to share with the public information on implementation of the TANROADS TAZARA Intersection Project. Information sharing is a core activity of CoST Tanzania aimed at keeping the public informed on implementation of public infrastructure projects. A full report on the project is available on the CoST Tanzania website www.ncc.go.tz/cost.html.

Key information

- The project is foreign funded by a Japanese grant of JPY.5,195,000,000 (=TZS 91,744,000,413).
- Procurement is done in Japan and restricted to Japanese companies.
- Cost escalation of more than 60% on initial estimates.
- Contractor has adhered to international safety and health standards. Safety for road users and workers has been well managed as up to end of November 2017, there have been zero (0) accidents.
- 74.68 % of the project implementation progress was achieved by 31st January 2018 compared to a planned progress of 74.61%.
- TANROADS plans traffic management measures at other intersections feeding into / out of the TAZARA Intersection; this is needed to reduce traffic pile up at TAZARA.



Intersections feeding into and out of Tazara



The chart below shows the time taken by the tender process which took a long time due to poor response from Japanese contractors.

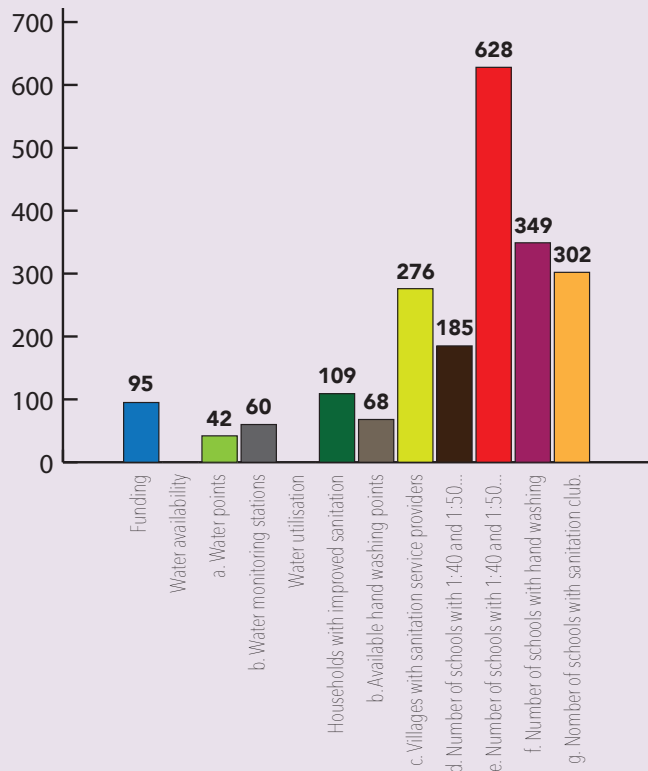
February, 2012	June, 2013	January, 2014	July, 2014
Detailed Design Finalized	1 st Exchange Note of JPY 3,127,000,000 was Signed for construction phase.	1 st Round Procurement of Contractor was initiated.	2 nd Exchange Note of JPY 346,000,000 was Signed following the approved budget to be exceeded by submitted bids.

September, 2014	March, 2015	May, 2015	15 th October, 2015
2 nd Round Procurement of Contractor was initiated.	3 rd Exchange Note of JPY 1,722,000,000 was Signed following the approved budget to be exceeded by submitted bids.	3 rd Round Procurement of Contractor was initiated. However, the competitive process could not be successful.	the contract was signed with the Contractor at JPY.4,842,000,000 after resorting to negotiation strategy to conclude the procurement process.

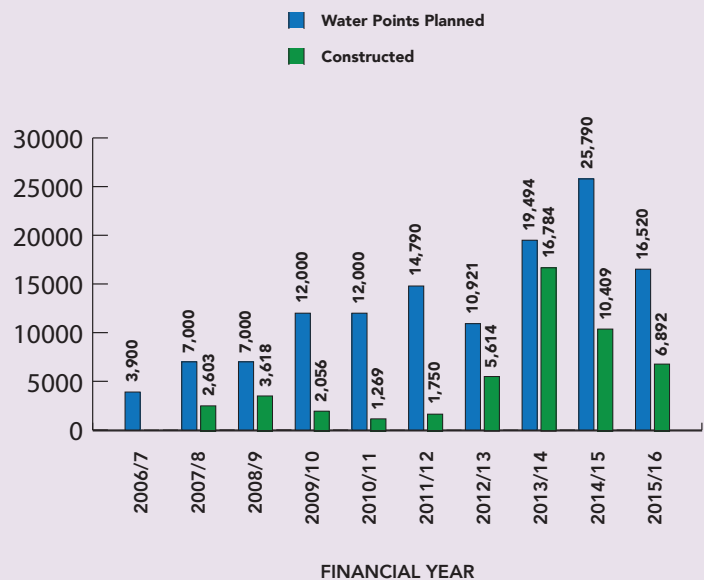
Summary of Water Sector Programme Report (2006/7–2015/16)

National Construction Council, on behalf of CoST Tanzania, is pleased to share with the public a summary of the report on the water sector programme projects undertaken between 2006/7 and 2015/2016 financial years. This assurance is based on Water Sector Status Report of October 2016 available on the Ministry of Water and Irrigation website www.maji.go.tz/?q=en/node/129/88. The report covers the period 2006/7–2015/2016.

WATER SECTOR PROGRAMME OBJECTIVES ACHIEVEMENT IN %



PLANNED AND CONSTRUCTED WATER POINTS PER FY



Key issues

- Positive achievements in Water utilisation; this objective received only 6.3% of funds.
- Less than 50% achievement in Water supply – the most important objective of the programme accounting for 93.7% of funds received.
- Funding commitments honoured by 95%; but not reflected in physical achievements.
- Report makes a lot of recommendations but also indicates that these have been addressed by the Ministry.
- Report comes too late to enable authorities take meaningful interventions on the covered activities but provides inputs for future programmes.
- There is need to put in place early warning systems to raise issues at the appropriate time.

Performance

- Poor performance of contractors and consultants, unsatisfactory Contract Management and shortage of skilled staff in Implementing Agencies (IAs) were noted, resulting in time overruns in projects in Lindi, Kigoma, Sumbawanga and Musoma.
- DAWASA is faced with problem of non-revenue water (NRW) which is currently recorded at 53% against the internationally recommended target value of 20%. However, through interventions at Regional WSSAs the average NRW in all regional urban utilities by June 2016 was 35%.
- Ten towns/cities have piped sewerage systems which serve only 20% of the total urban population.