OPEN CONTRACTING PARTNERSHIP

Participation of Special Groups in public procurement in Tanzania

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PPRA
Public Procurement Regulatory Authority

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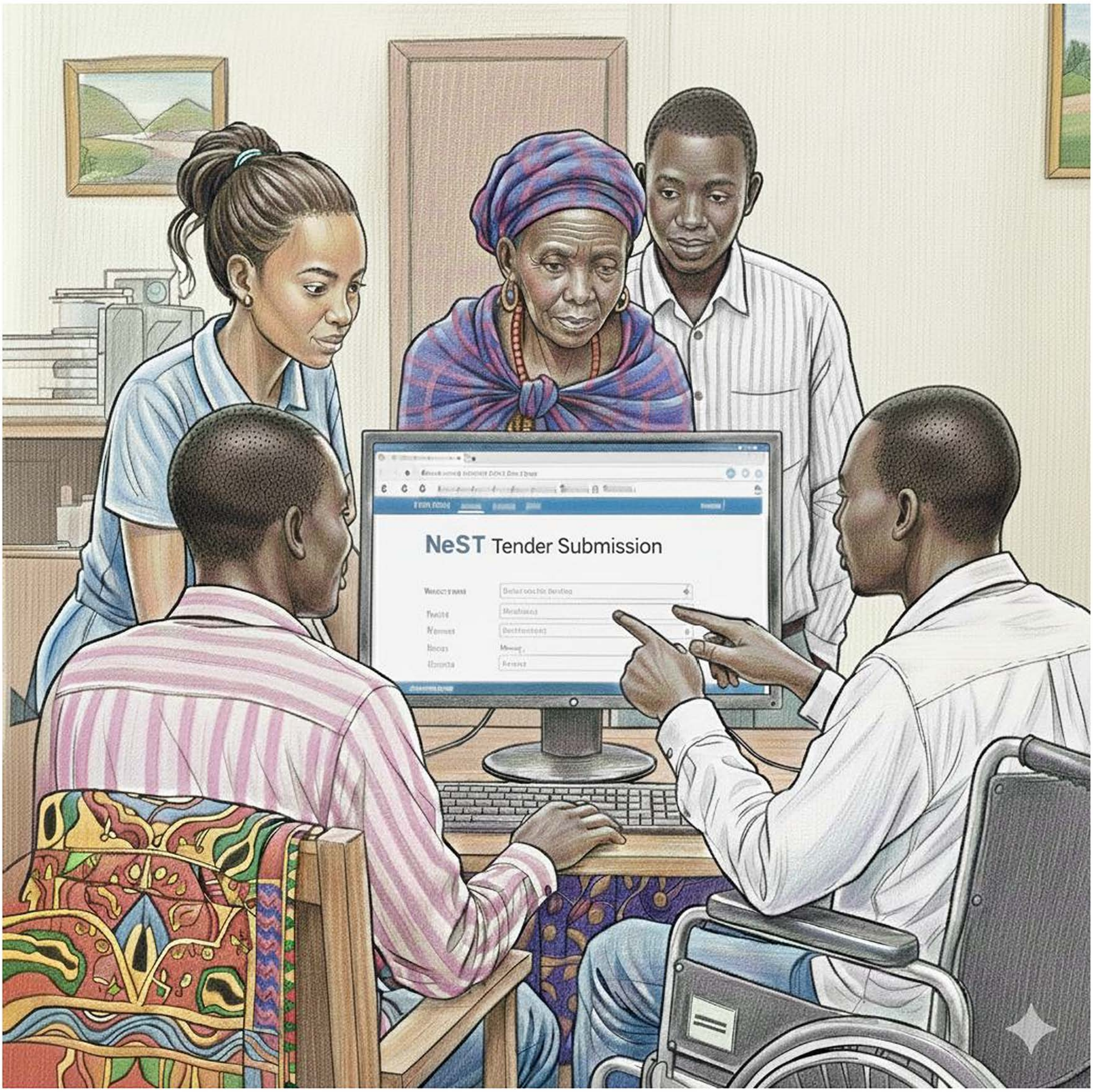
Abbreviations and acronyms

Acronym	Description
B4S	Bid for Success
BRELA	Business Registrations and Licensing Agency
CAG	Controller and Auditor General
CRB	Contractors Registration Board
CSOs	Civil Society Organizations
CDOs	Community Development Officers
DUWASA	Dodoma Urban Water Supply and Sanitation Authority
FGDs	Focus Group Discussions
KIIs	Key Informant Interviews
LGAs	Local Government Authorities
MAPS	Methodology for Assessing Procurement Systems
MBs	Megabytes
MDAs	Ministries, Departments and Agencies
MoCDGWSG	Ministry of Community Development, Gender, Women, and Special Groups
NEEC	National Economic Empowerment Council
NeST	National e-Procurement System of Tanzania
NGO	Non-Governmental Organization
PEs	Procuring Entities
PMO-LYED	Prime Minister's Office, Labour, Youth, Employment, and Persons with Disability
PPRA	Public Procurement Regulatory Authority
SIDO	Small Industries Development Organization
TANEPS	Tanzania National Electronic Procurement System
TANROADS	Tanzania National Roads Agency
TARURA	Tanzania Rural and Urban Roads Agency
TASAF	Tanzania Social Action Fund
TWCC	Tanzania Women Chamber of Commerce
TZS	Tanzania Shillings
USD	United States Dollar


NeST Tender Submission

Executive summary

This study evaluates the involvement of special groups in Tanzania's public procurement, focusing on the new legal framework and e-procurement system. Its objectives are to identify the barriers encountered by these groups and assess how effectively the legal framework supports their participation. In Tanzania's public procurement, a *special group* is a group with a common interest formed to participate in public procurement, officially recognized and registered to access reserved opportunities (up to 30%). These legally recognized disadvantaged categories include women, youth, persons with disabilities, and the elderly.

The research covered five regions—Dar es Salaam, Kigoma, Mtwara, Kagera, and Dodoma—and employed a mixed-methods approach. Data collection involved 158 surveys completed by special group respondents from these regions, as well as Focus Group Discussions (FGDs) and Key Informant Interviews (KIIs) with practitioners and policymakers. The study also included a comprehensive review of relevant legal and policy documents.

Key findings

The following outlines the key findings regarding the involvement of special groups in public procurement, analyzing the framework, participation levels, persistent barriers, and support systems.

Legal and institutional context

Positive legislative changes: The Public Procurement Act (2023) and its accompanying Regulations, i.e., Section 64 (i) of PPA CAP 410 as read together with regulation 36 (i) of PPR, GN NO. 443 of 2024) uphold the 30% reservation for special groups and introduce essential accountability measures. Procuring entities must now justify for non-compliance, with disciplinary actions stipulated for accounting officers' failures.

Accountability gaps: While the legal and regulatory framework for public procurement oversight has improved, its implementation remains inconsistent in practice. The PPRA demonstrates a commitment to transparency through its annual reports; transparency could be further strengthened by providing more frequent updates on its website and making detailed findings and audit results more readily accessible. These limitations reduce overall transparency and constrain meaningful public and stakeholder engagement in monitoring performance of SG policy on public procurement.

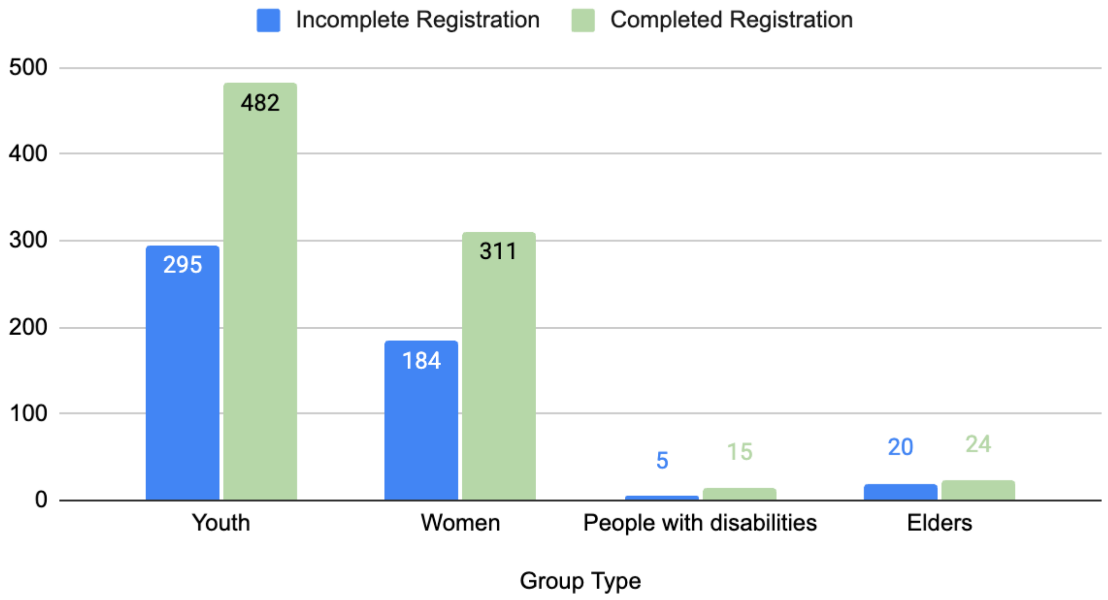
Special groups participation

Improved participation of special groups in public procurement but still below target: As of March 2026, a total of 1,336 special groups were registered in public procurement (including incomplete registrations), indicating steady growth, of which 832 were fully registered and eligible to participate in public procurement. These include 777 youth-owned groups, 495 women-owned groups, 44 elders' groups and 20 groups of persons with disabilities.

Following national campaigns by PPRA, 326 special groups have been awarded contracts, representing approximately 24% of those fully and partially registered special groups. However,the total value of contracts awarded remains significantly below the 30% target. Based on data from PPRA and the NeST Data Portal, special groups accounted for only 7.6% of total contract value in the 2025/2026 financial year (as of March 2026).

Registration of special groups, March 2026			
Registration status			
Group type	**Incomplete registration**	**Completed registration**	**Grand total**
Youth	295	482	**777**
Women	184	311	**495**
People with disabilities	5	15	**20**
Elders	20	24	**44**
Grand total	**504**	**832**	**1,336**

Registration of special groups as of 19 March 2026



While modest compared to policy targets, this upward trend signals strengthening participation and competitiveness, driven by regulatory reforms, digitalization, and capacity building. However, the gap between intended set-asides and actual awards necessitates further efforts in business support, access, bid preparation, and proactive enforcement to accelerate inclusive participation and ensure equitable benefits.

Concentrated involvement: Participation remains geographically concentrated in urban councils and is limited to a narrow range of sectors—primarily construction, environmental services, and small-scale supply—indicating uneven access to opportunities and potentially restricting broader economic inclusion and competition.

Persistent barriers

Awareness and capacity: Partial awareness (47% unaware) about the 30% reservation policy and limited technical capacity hinder participation. Many groups lack tendering knowledge or are discouraged by perceived complexity, despite capacity-building programmes. Although Swahili documents are available on NeST to address language barriers, digital illiteracy, unfamiliarity with online systems, and poor internet connectivity continue to restrict meaningful access.

Regulatory and procedural complexity: Costly and redundant registration requirements exist across multiple agencies, including the PPRA, Business Registrations and Licensing Agency (BRELA), special group registration bodies, and sectoral bodies like the Contractors Registration Board.

The new NeST is fundamentally transforming the procurement process, replacing bureaucratic delays with speed and efficiency. This digitization and standardization of procedures boost transparency and accessibility for all stakeholders, including local councils and community groups previously discouraged by the former system. Furthermore, ongoing reforms are critical in creating a more inclusive procurement environment. These changes ensure that tender requirements, such as those related to equipment ownership and certification, are proportionate and better matched to the capacity of small-scale suppliers. By removing disproportionate barriers, these improvements encourage broader participation and actively foster local economic growth.

Financial constraints: Groups face limited access to credit and are hampered by chronic delays in government payments, inhibiting their ability to execute contracts. While local councils offer a 10% revolving loan, this fund is not systematically linked to special groups that win public procurement contracts, failing to provide reliable working capital.

Fairness and trust: Concerns regarding transparency and perceived favoritism were frequently raised by respondents, underscoring the vital need to enhance both accountability and public trust. Commitment to fostering fairness and participation is evident through ongoing reforms, digitalization efforts, and capacity-building initiatives. For instance, the implementation of the NeST system ensures that registered Special Groups receive mobile phone notifications about relevant opportunities available within their operating area.

Support and collaboration

Better strengthening of support systems: Despite the study finding that only 36% of surveyed groups received formal mentorship or training, the PPRA has demonstrated a significant institutional commitment to increasing special groups' participation in public procurement. This is evidenced by extensive nationwide capacity-building initiatives. Specifically, between the 2020/21 and 2025/26 financial years, PPRA trained and supported 15,117 group members, enhancing their procurement knowledge and technical competencies. These ongoing efforts highlight a strong focus on expanding access to mentorship, technical assistance, and structured support, while also pointing to continued opportunities for further scaling and deepening outreach

Ad-hoc collaboration: Cooperation between government institutions and external entities (civil society or private sector) offering support is currently ad-hoc. Although both sides express a willingness to collaborate, engagement is stifled by budgetary issues, the lack of appropriate forums, and the view by support entities that public procurement is an overly technical sector, limiting the creation of focused initiatives.

Recommendations to enhance the effective participation of special groups

This study proposes the following recommendations to boost the effective participation of special groups in public procurement:

1. Strengthen awareness and information

Sustain and expand NeST clinics: PPRA should continue running NeST mobile clinics, leveraging the newly trained CDOs to conduct clinics at local levels, ensuring more groups can access existing public procurement opportunities.

Establish customer service centres: To address limited internet penetration and digital literacy barriers affecting Special Groups (SGs), the Government should establish dedicated customer service centres within Local Government Authorities to facilitate access to key online platforms, including NeST, Tausi, and the Tanzania Revenue Authority systems. These centres would provide hands-on support to users navigating digital procurement processes. However, given that some councils may have limited technical, financial, and human resource capacity to operationalize and sustain such centres effectively, targeted capacity building, resource allocation, and technical support from central government institutions will be essential to ensure successful implementation and long-term functionality.

2. Strengthen stakeholder coordination

Create a formal coordination framework with PPRA, NEEC, MoCDGWSG, Development Partners, VETA, SIDO, and relevant private sector/CSOs supporting the 30% preferential scheme. This framework will coordinate identification, capacity building, registration, and mentorship of special groups. Leverage the November 2025 MoU between PPRA and VETA to systematically identify, train, and register these groups, enhancing their effective participation and competitiveness in reserved government tenders. It will be vital for raising awareness, providing technical support, consolidating capacity building efforts, and ensuring the cross-sharing of goals, objectives, and M&E frameworks. This can be achieved through a joint project or initiative.

3. Address financial challenges

Align loan and procurement schemes: Local councils must be required to align the 10% revolving loan for special groups with the preferential procurement scheme. This alignment should specifically support groups that are successfully awarded tenders at the council level. The Prime Minister's Office, Regional Administration and Local Government (PMO-RALG) needs to increase its emphasis on this requirement and implement administrative sanctions for councils that fail to comply. SGs should be made aware of other schemes in government such as youth and women development funds; credit guarantee schemes; commercial bank products; SME financing programs across different government programmes. Winning a government tender should be recognized as a valid bankable business opportunity for accessing financing.

4. Enhance monitoring, evaluation, and accountability

Strengthen oversight systems: While PPRA should continue its audits, NEEC and the Ministry of Community Development, Gender, Women, and Special Groups (MoCDGWSG) must be included in the verification process. Joint monitoring teams should be established for the periodic evaluation of the scheme's implementation.

Improve data availability: The PPRA should continue strengthening transparency by ensuring that comprehensive, publicly available, and disaggregated procurement data remain accessible through the NeST. Notably, the NeST system now publishes data in line with the Open Contracting Data Standard (OCDS), and the Authority has successfully disseminated national public procurement information through the portal. Data relating to special groups—including registration, tender publications, tender awards, and contracts—is captured within the system. At the same time, ongoing improvements in data quality, usability, and analytical functionality will be essential to enable effective oversight once the data is made available.

5. Strengthen compliance

Clarify the scope and calculation basis of the 30% special groups allocation: The Government, through the Ministry of Finance and PPRA, should issue a formal policy clarification and implementation guideline defining the calculation base for the 30% allocation to special groups. There is need to clarify if the base of the calculation includes development partner financed projects since they do not accept their projects to include SG procurement.

This clarification would improve consistency in implementation, prevent misleading compliance reporting, and provide realistic performance benchmarks for procuring entities.

Institutionalize mandatory inclusion controls within NeST: PPRA should fully institutionalize automated compliance controls within the NeST system to ensure procuring entities allocate opportunities to special groups at the planning stage rather than during post-procurement audits.

The system should:

1. Require procuring entities to designate reserved tenders for special groups within Annual Procurement Plans (APPs);
2. Prevent submission of APPs that do not demonstrate compliance or justify exemptions;
3. Generate automated compliance reports and dashboards accessible to oversight institutions and the public.

This would strengthen accountability and shift implementation from reactive enforcement to preventive compliance.

Reduce tender announcement fees: PPRA should engage relevant authorities to consider reducing tender announcement fees for special group tenders. This measure is intended to encourage participation from special groups and minimize opportunities for non-compliance, particularly for smaller local councils with limited resources.

Incentivize performance by establishing a reward mechanism: A mechanism is proposed to recognize and reward institutions, such as Procuring Entities, that meet or exceed the 30% target for special group participation. This could take the form of annual awards or similar recognition.

6. Build local capacity

Implement training of trainers (ToT): Given the concentration of special groups at the local level, efforts should focus on training trainers, specifically Community Development Officers (CDOs), at the district and regional levels.

Foster collaboration: This ToT should include joint training for procurement officers and CDOs to ensure enhanced coordination. A simplified manual of common questions should be developed and shared with these trained officers.

Include financial management and governance training for special groups: The different government and non government partners should implement regular practical training programs on:

- financial discipline,
- internal controls,
- trust and accountability within groups,
- joint venture management,
- bookkeeping and tax compliance.

Priority should be given to newly registered groups and groups with active contracts.

Introduction

Globally, public procurement accounts for about USD 13 trillion annually, making it one of the largest markets for goods and services worldwide (Open Contracting Partnership). In Tanzania, public procurement represents about 70% of total public spending.

Recognizing its potential impact as a tool for socio-economic transformation, Tanzania introduced a 30% preferential scheme in its 2016 public procurement law to provide affirmative action that supports women, youth, persons with disabilities, and the elderly to have better access to opportunities in the public procurement market. Under this provision, 30% of all public procurement opportunities are to be allocated to these special groups.

Despite the ambitious commitments outlined in the Act and subsequent regulations, the scheme has struggled to achieve its intended impact. As of March 2026, 832 groups have successfully registered. This is way below potential and target of 20,000 set by PPRA. The value of tenders awarded to them was less than 1% of total procurement.

In 2023, Tanzania embarked on a series of reforms of its public procurement. The country launched its domestically developed e-procurement platform — the National e-Procurement System of Tanzania (NeST). This platform replaced the former Tanzanian National e-Procurement System (TANEPS), addressing several challenges related to usability, adoption, model development, and ownership, as the previous system was privately managed.

Following the introduction of NeST, the country undertook a comprehensive reform of its procurement framework through the Public Procurement Act, 2023, and its accompanying Public Procurement Regulations, 2024. These reforms introduced new guidelines aimed at strengthening the participation of special groups and ensuring that the 30 percent allocation scheme delivers tangible benefits. These reforms have already started to show positive results, including an increased number of registered groups, an increased number of tenders issued under the scheme, and a noticeable increase in participation of special groups.

Against this backdrop, this study seeks to identify the barriers faced by special groups, assess the effectiveness of the legal framework supporting their participation, and propose strategies for more successful implementation of the scheme.

The study examines perspectives from all sides, the government, special groups, and supporting institutions, to develop evidence-based recommendations that promote equitable participation in Tanzania's public procurement system.

Methodology

This study adopted a mixed-methods research design to provide a comprehensive and evidence-based assessment of the current public procurement processes, systems, and accessibility for special groups, including aspects of contract transparency. The approach combined quantitative and qualitative methods to capture both statistical and experiential insights. Data collection involved structured surveys, Key Informant Interviews, Focus Group Discussions, legal and policy analysis, and a review of available administrative data on registered special groups. The research was conducted in five regions of Tanzania: Dar es Salaam, Dodoma, Mtwara, Kigoma, and Kagera.

Survey

A standardized questionnaire comprising ten thematic sections was developed to collect quantitative and qualitative data from members of special groups. A total of 158 respondents participated in the survey. The study employed a stratified random sampling technique to ensure a balanced and representative sample across the four categories of special groups—women, youth, older people, and persons with disabilities.

All surveys were administered in Swahili to ensure comprehension and inclusivity. The completed responses were subsequently translated into English for analysis and reporting.

Focus Group Discussions (FGDs)

To complement the survey findings, five focus group discussions were conducted with members of special groups to obtain deeper qualitative insights into their overall experiences with bidding, how they access tender information and use NeST, key steps and pain points in the bidding process, perceived barriers and fairness, awareness and implementation of the 30 percent reservation policy, and their priorities for an ideal inclusive procurement system and related support or training needs. Each focus group comprised ten participants, with one discussion held in each of the five study regions.

Participants were selected using a purposive sampling approach to ensure inclusion of individuals with relevant experience and diverse perspectives. All FGDs were conducted in Swahili, recorded, transcribed, and later translated into English for analysis. Sign language interpreters were engaged to facilitate participation of persons with hearing impairments, ensuring inclusivity and accessibility throughout the discussions.

Key Informant Interviews (KIIs)

The study conducted ten key informant interviews with strategic stakeholders, including representatives from:

Government Ministries, Departments and Agencies (MDAs), Local Government Authorities (LGAs)

1. Public Procurement Regulatory Authority (PPRA)
2. National Economic Empowerment Council (NEEC)
3. Prime Minister's Office (Labour, Youth, Employment and Persons with Disability)
4. Director of Special Groups at the Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDEC)
5. Ubungo Municipal Council
6. Mpwapwa District Council

Private sector

7. Financial Institution that supports special groups such as the National Bank of Commerce (NBC)
8. Tanzania Women Chamber of Commerce

CSO

9. Tanzania Youth Vision Association
10. SHIVYAWATA

These interviews aimed to gather expert opinions on the stakeholders’ roles and perspectives on the current level of inclusion in public procurement, the functioning of the legal and policy framework, awareness and capacity of procuring entities, main barriers for special group businesses, the effectiveness of support measures, how the electronic procurement system supports inclusion, and priority recommendations for strengthening inclusive procurement in policy and practice.

Desk review

A comprehensive desk review was undertaken to analyze Tanzania's legal and policy frameworks governing public procurement, with particular attention to provisions related to the participation of special groups. Existing studies and reports, including the Methodology for Assessing Procurement Systems (MAPS) report, were reviewed to provide context and benchmark this study's findings against established standards and best practices. The MAPS pillars served as a key reference point for evaluating the alignment between policy intent and implementation outcomes in Tanzania's procurement ecosystem.

Analysis of the Tanzania's Public Procurement

Following the new legislation, all public procurement processes are undertaken through the National e-Procurement System of Tanzania (NeST). After the establishing of a special group and its successful registration, the next required step is to register in NeST as a user to access available procurement opportunities.

The Guidelines for Participation of Special Groups in Public Procurement provide that the key methods of procurement for special groups include competitive tendering for specific special groups, restricted tendering, single-source procurement for goods and services, direct contracting for works, competitive quotation, and minor value procurement, among others as determined by the Procuring Entities (PEs).

The default method of procurement is competitive tendering. The key stages of procurement include planning, sourcing bidders, evaluation, contract award, contract implementation and management. Among these, only the stages from planning to sourcing are open to the public. Other stages, such as evaluation and contract award, are not public; however, the law requires that contract details be published through NeST. The publication should include the name of the successful tenderer, the contract value, the date of award, the tender description, and the tender number. Furthermore, upon commencement of the contract's implementation, information related to its execution must be made publicly available in the electronic public procurement system.

Stages of procurement

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Need identification	Planning	Sourcing of bidders	Evaluation	Award	Contract	Contract management
User Department User assess the need of the department as per the allocated budget	**Procurement Management Unit (PMU)** Consolidate user requirement, prepare invitation to tender and send AO or Tender Board for approval	**Sourcing of bidders** After approval by the Tender Board and Accounting Officer. Tender notice is released to invited bidders. In case of pre-qualified bidders process continues to next stage	**Evaluation Committee** The committee is appointed by the Accounting Officer. It submit its report to PMU who recommend the bidder who should win the tender	**Accounting Officer** The accounting officer or the tender board approve recommendations made by the evaluation committee. AO communicate to bidders if satisfied with process	**Accounting Officer** Contract is sent to authorities such as Attorney General, Controller Auditor General for vetting as the AO signs for implementation	**Accounting Officer** Appoint a contract manager responsible for ensuring the implementation of the signed contract

It is important to clarify that tender announcement and processing fees are not limited to special group tenders. The fees charged are in accordance with the rates prescribed under the Public Procurement Regulations and are based strictly on the method of procurement used. There are no specific or additional fees designated for special group tenders.

Under the First Schedule to the Public Procurement Regulations, 2025, which details fees for procuring entities, the regulation lists charges for processing each tender via Tanzania's National e-Procurement System (NeST) as listed below:

- Open competition – TZS 100,000
- Restricted tenders – TZS 500,000
- Single-source tenders – TZS 500,000
- Quotation – TZS 50,000
- Mini-competition – TZS 10,000
- Framework agreements – TZS 500,000
- Pre-qualification – N/A

These charges apply uniformly regardless of whether the tender is for special groups or not.

However, considering that special group tenders often involve relatively smaller procurement values, the applicable processing fees—though method-based—may still present financial challenges for some Procuring Entities, particularly those with limited budgets such as small councils.

For example, one government expert observed:

> “
>
> I see one big challenge, particularly for small councils, in the system’s tender announcement fees. When you announce a special group tender, you get charged. For example, a national shopping tender may cost 50,000 shillings. If you have 90 tenders, that’s 4.5 million.
>
> For a small council, that’s a lot. Meanwhile, normal tenders are free to announce. So, councils may avoid special group tenders to save costs. Similarly, national competitive bidding for special groups can cost 500,000 compared to 100,000 for regular ones, making it discouraging.”

However, this perception is not accurate, as there are no specific or higher fees applicable to special group tenders. The charges are determined solely by the procurement method selected, as provided in the regulations.

This misunderstanding highlights that, despite the commendable efforts made by the PPRA in training and public awareness, there remains an information gap among some stakeholders. It underscores the need to further support PPRA in expanding and sustaining capacity-building initiatives, media outreach, and continuous public sensitization to ensure correct understanding of the regulatory framework.

Legal framework for the participation of special groups

The country’s public procurement sector has undergone a series of reforms over the years to ensure that public procurement is efficient and serves its intended purpose. Most of these reforms were introduced through legislation. The first and most significant changes occurred between 2001 and 2005, including the decentralization of the procurement system and the establishment of the Public Procurement Regulatory Authority (PPRA).

The second phase of change was introduced in 2011 with the introduction of a new procurement Act, which modernized the procurement system in line with international standards. This Act provided mechanisms for curbing corruption and fraud, as well as an integrated mechanism for national preference, a long-time demand from the public.

Furthermore, several amendments to the legislation were introduced in 2016, including a provision for special groups. The amendment stipulated that procuring entities were to allocate 30 percent of their annual procurement value to special groups comprising women, youth, persons with disabilities, and the elderly. Subsequent changes were introduced in 2018, primarily to incorporate updates related to information and communication technology.

The 2023 amendments to the procurement law

In 2023, Tanzania's public procurement system underwent a significant overhaul, introduced by a new legislation: the Public Procurement Act, 2023 and its attendant regulations, Public Procurement Regulations 2024. Section 64 (1), (3) of the new Act has maintained that the procuring entity shall set aside a percentage of the annual procurement value to special groups-women, youth (aged 18-35), persons with disabilities and the elderly (60+). Section 35 (1) of the regulation further clarifies that a procuring entity shall grant an exclusive preference of thirty percent of total value of its annual procurement of goods, works, and services to special groups within its locality.

While the new legislation and its regulation has maintained key framework from the previous legislation such as requirement for registration of groups, the new law has introduced several new clauses:

- The law recognizes the role of the ministries responsible for special groups, Section 64 (2) of the Act, provides that in making the regulations for the Act, the Minister shall consult with the ministries responsible for special groups. By recognizing the role of the ministry responsible for special groups, the Act directly gives the ministry mandate and ownership in the process alongside the Ministry of Finance, which hosts the PPRA.

- Section 35 (2) of the regulation has introduced a new accountability mechanism for holding procuring entities accountable as far as the allocation for the scheme is concerned. It requires procuring entities to provide reasons for its failure to meet the exclusive preference requirements. The clause seeks to solve the non-compliance culture among procuring entities. Section 35 (5) provides that an accounting officer who contravenes the regulation shall be subject to disciplinary action by the relevant authority. The law puts firstly institutional demand for accountability through reporting and secondly it provides the mechanism of holding accountable, the accounting officer, who in most cases is the top leadership of the institution.

- Section 36 (1) and (2) of the regulation set the mechanism for ensuring it curb the issue of delayed payment. It provides that groups shall be timely paid for completed contracts. And a procuring entity shall ensure that it allocates or commits funds for the purpose of payment prior to procurement proceedings. The provisions seek to solve the longstanding complaints from special groups regarding delayed payment, which in most cases happen due to PE floating tender without having resources.

The Guidelines for Participation of Special Groups in Public Procurement, 2025, also introduced new provisions that seek to enhance participation of special groups. This include:

- The guideline has set a limit for groups participation, that Women and youth groups participating in the scheme shall graduate to benefit from the scheme after attaining awarded contracts amounting to five billion Tanzania shillings. For the youth it has set that members who attain the age above 35 shall be replaced with a new member, in cases where the group have not reached threshold. This measure seeks to ensure wider participation in cases where there is much active participation. However, the elderly and Persons with Disabilities shall have no applicable time limit for benefiting from the scheme.

- The guideline has also identified key tenders that special groups can participate in. This include: Labour-based works; tenders that require a low level of technology; tenders that require technical know-how; The level of sensitivity, security, or risk is insignificant; minimal level of personnel experience is required. The guideline provides procuring entities with a wide array of choices for tenders, but it also allows for them to decide based on their environment.

- The guideline also provide a solution to the issue of experience, it set that instead of putting past experience as a criteria, PE should instead focus on: Qualification and experience of key personnel; litigation history; completion period; Sexual harassment performance declaration; Environment and Social performance securing declaration; tender validity; Notarized Power of Attorney; Access to finance/ line of credit among others.

- The guideline has also set a limit per Contract for Special Groups for goods, works, and services that should not exceed Five Hundred Million TZ shs.

The new legal framework was established to address some of the most frequently raised concerns, ranging from the lack of clarity on which tenders should be issued to special groups to persistent issues of delay. Although the provisions for special groups are intended to benefit marginalized individuals within those groups, this objective is not explicitly stated in the Act, this leaves questions to many actors why are other forms of businesses such as companies, sole proprietors or partnership left out.

“

> The law needs amendments, the regulations. We’re talking about women, men, youth-who exactly? On marginalization, it must be very clear: not every woman is marginalized. If everyone is, then let everyone compete, including individuals and women owned companies,” statement from key informant interview participant.

The law makes it an offence if the preference scheme is not implemented, however there has been limited enforcement of these provisions. There is no clear avenue for external actors to hold non-compliant procuring entities accountable, as most information, particularly regarding non-compliance, remains an exclusive exchange between the PPRA and the respective procuring entity.

The state of the special group

The Special Group Guidelines, set that special groups, are a group of between 5 to twenty individuals who are either women, youth, person with disabilities or the elderly and have registered themselves with registration authorities (agencies, ministries or key government bodies), and receive valid certificate after training, then listed by PPRA through its NeST database and are set to compete for available procurement opportunities. The law states that companies and individuals can't claim this opportunity.

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Registration status			
Group type	**Incomplete registration**	**Completed registration**	**Total**
Youth	295	482	**777**
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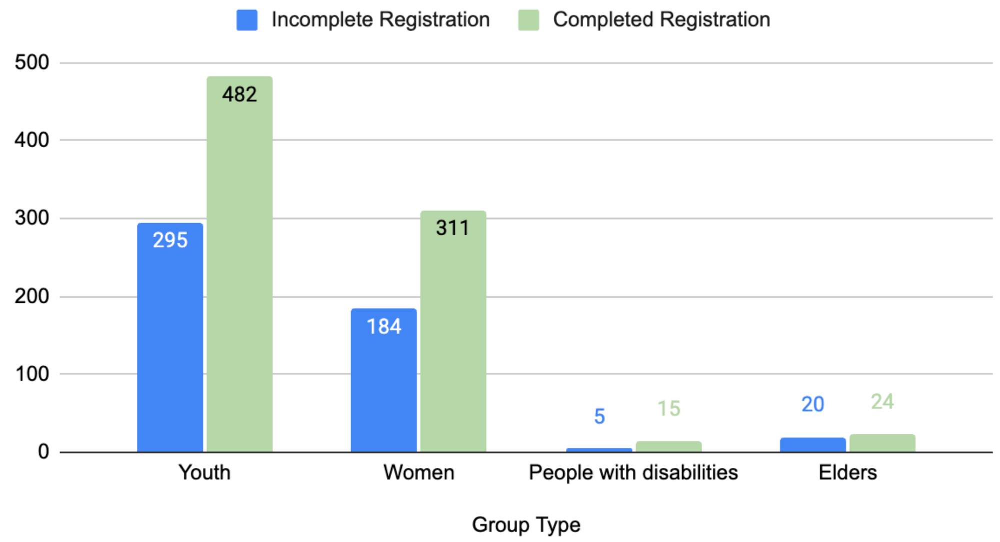


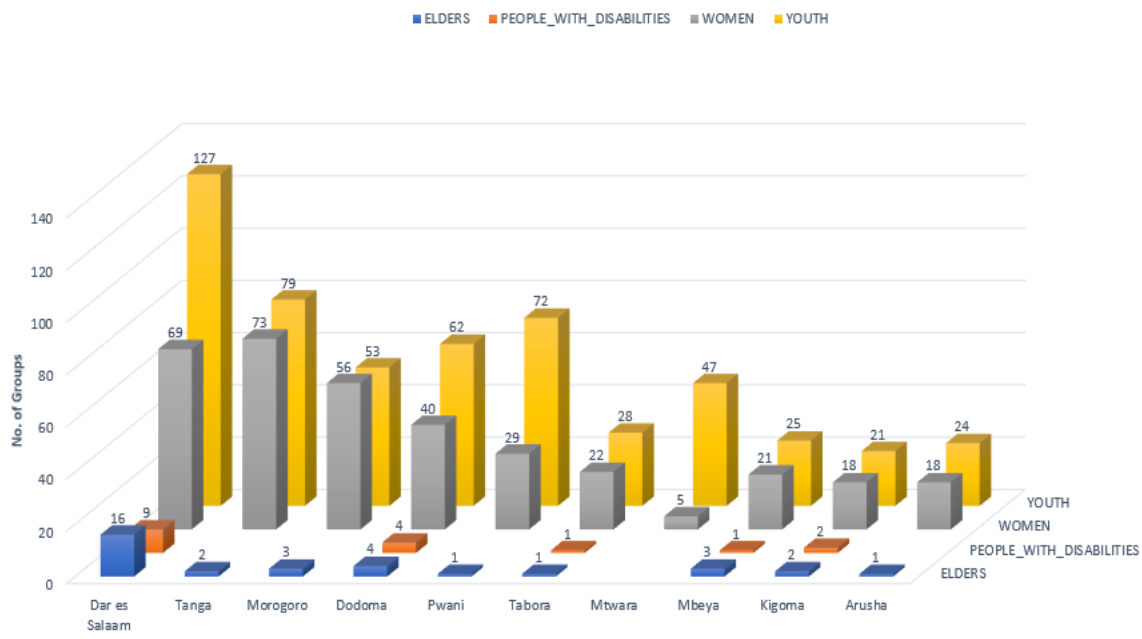
According to PPRA data, as of March 2026, a total of 832 special groups were fully registered in compliance with legal requirements. These include 482 youth groups, 311 women groups, 15 groups of persons with disabilities, and 24 elders' groups. This represents the highest number of fully registered groups since the introduction of the scheme in 2016 and reflects increased uptake driven by PPRA's training and capacity-building initiatives.

An additional 504 groups were recorded in the system but had incomplete registration and are therefore not yet eligible to participate.

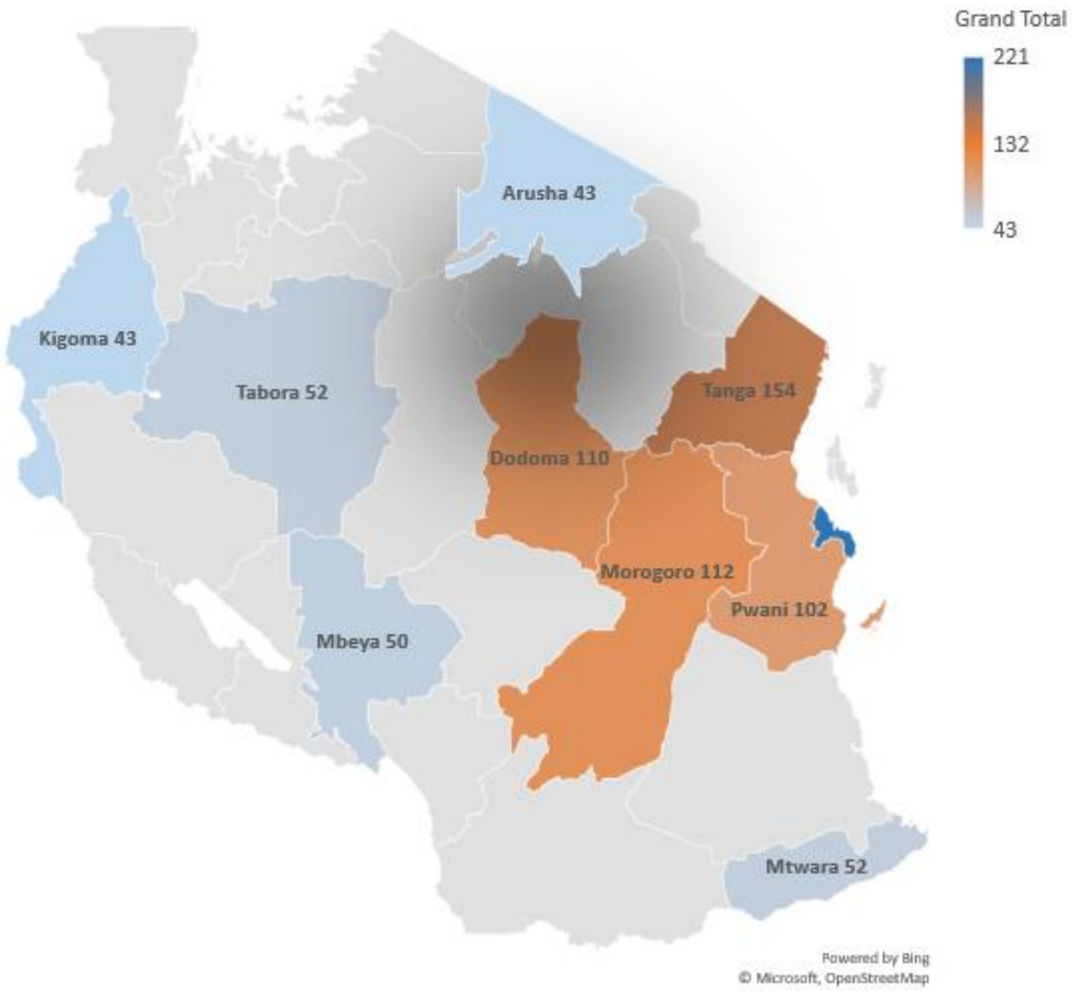
Regionally, registration (including incomplete registrations) is concentrated in urban areas. The leading regions include Dar es Salaam (221), Tanga (154), Morogoro (112), Dodoma (110), Tabora (52), Mtwara (52), Mbeya (50), Arusha (43), and Kigoma (43). Overall, participation remains lower in peri-urban and rural councils.

Most registered groups are engaged in construction-related activities, environmental services (such as cleaning), and the supply of construction materials.

Top 10 regional distribution of special groups					
Group type					
Region	**Youth**	**Women**	**Person with disabilities**	**Elders**	**Total**
Dar es Salaam	127	69	9	16	**221**
Tanga	79	73	0	2	**154**
Morogoro	53	56	0	3	**112**
Dodoma	62	40	4	4	**110**
Pwani	72	29	0	1	**102**
Tabora	28	22	1	1	**52**
Mtwara	47	5	0	0	**52**
Mbeya	25	21	1	3	**50**
Kigoma	21	18	2	2	**43**
Arusha	24	18	0	1	**43**
Total	**538**	**351**	**17**	**33**	**939**



Top 10 special group distribution on the regional level



As of March 2026, a total of 1,336 special groups were registered on NeST, of which 832 were fully registered and eligible to participate in public procurement. This reflects continued progress in expanding inclusion.

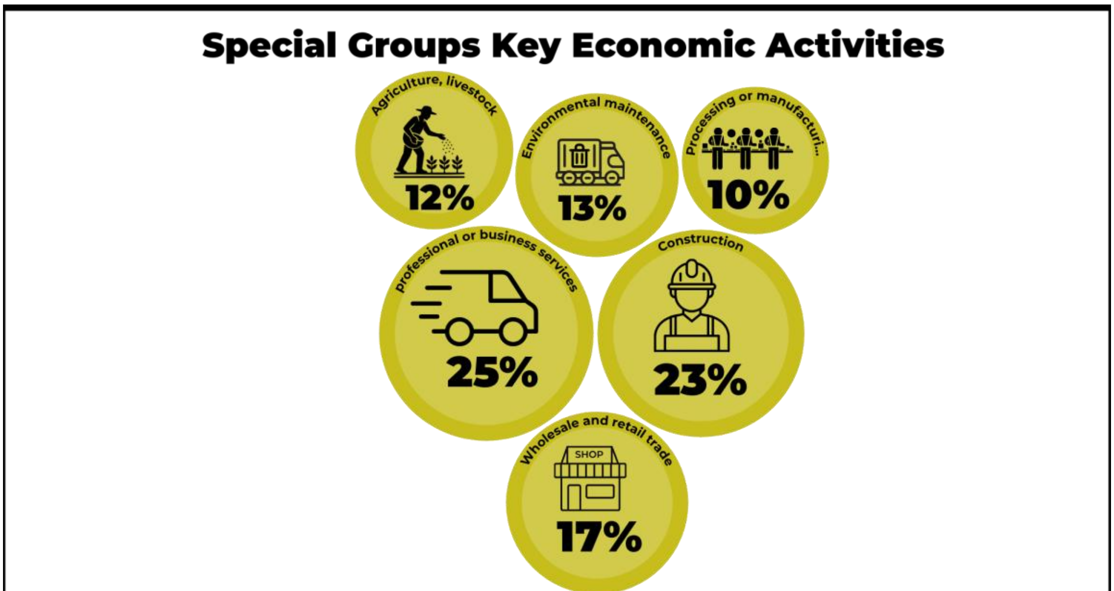
Of these, 326 groups were awarded 1,468 contracts, with a total value of TZS 39 billion, representing approximately 24% of the registered special groups.

However, in the 2025/2026 financial year (as of March 2026), a total of 122,334 contracts worth TZS 510 billion were awarded overall, according to the NeST Data Portal. Contracts awarded to special groups accounted for only 7.6% of the total contract value.

This indicates that, despite improvements in registration and participation, the share of contracts awarded to special groups remains significantly below the 30% preferential procurement target, highlighting persistent barriers to access and competitiveness.

Experience in tendering

The study survey findings reveal a diverse range of economic activities among the registered groups, with professional or business services (25%), construction (23%), wholesale and retail trade (17%) and being the most common, followed by environmental maintenance (13%), agriculture, livestock, or fisheries (12%), and processing or manufacturing (10%).

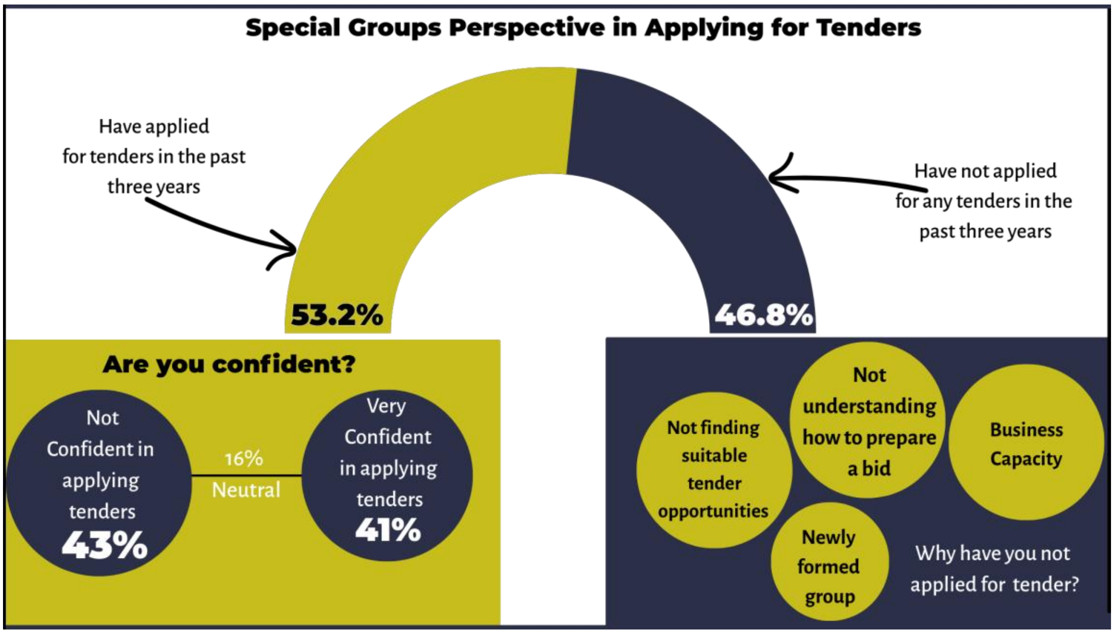


Key economic activities as per the study survey

Despite this diversity, awareness of the government's 30 percent procurement opportunities remains low, approximately 47 percent of respondents reported not knowing about these provisions. Some groups indicated that they had formed groups to access various economic opportunities from the local council, but have no fully grasp about public procurement.

In terms of participation, over half of the survey participants (53.2%) had applied for tenders, the majority had only applied for one or two tenders in the past three years. In the same vein, the majority of the tenderers (55%) did get positive results after tendering, suggesting moderate competitiveness among participating groups. There are mixed results as far as confidence in preparation of tender bids is concerned, about 41 percent of the survey respondents were confident in their ability, while about 43 percent were not confident and the remaining 16 percent said they were neutral.

Study participants who did not apply any tenders highlighted the following as the main issues: Not finding suitable tender opportunities (49%), they did not understand how to prepare a bid (9%), tender requirements did not match business capacity (8%). Other cited reasons include that the process looked too complicated (7%) and the respondent didn't believe they had a fair chance of winning (3%). Collectively, these findings indicate that while participation in tendering exists, significant capacity and awareness gaps continue to limit broader engagement and success in public procurement.



Business structures

The majority of the groups are freshly formed for the purposes of accessing opportunities, the experience of the group is often considered minimal, and oftentimes are transitioning from informal businesses or sometimes unemployment. This was noted by members of the special groups during the interview as well as expert personnel during the key informant interviews.

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> Many of the group members are transitioning from businesses which weren’t formalized, so they couldn’t meet tender requirements. Most were individual-owned, informal businesses. It’s not easy for someone who never went to school to suddenly start forming a registered group,” response from experts supporting special groups.

Due to the nature of their formation, many of the groups face a risk of shutting down, when they face situations where they are not winning tenders, especially for groups which are not multi-purposed and also in cases where they lack proper mentorship.

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> Young people may form a group, win a tender, get paid, then fall apart due to poor management or disagreements. Many groups formed by graduates disappear after a short time due to lack of mentorship and sustainability” expert from government institutions supporting special groups.

Supporting system for the special groups

While the government provides an important element of formalization of the group through registration, there are other required aspects of support such as training, mentorship and the like. The study survey shows only about 36 percent of the groups have received direct support from government or NGO programs designed to help special groups participate in public procurement. Below are some of the key pillars of the special groups supporting system.

Government

Following the amendment of the public procurement law and its regulations as well as the introduction of NeST, government entities responsible for ensuring the success of the special group have reorganized themselves, through the signing of memorandum of understandings. This includes the memorandum of understanding between the Public Procurement Regulatory Authority (PPRA) and the National Economic Empowerment Council (NEEC), government agency responsible for facilitating designing, planning, supervising, and coordinating economic empowerment activities.

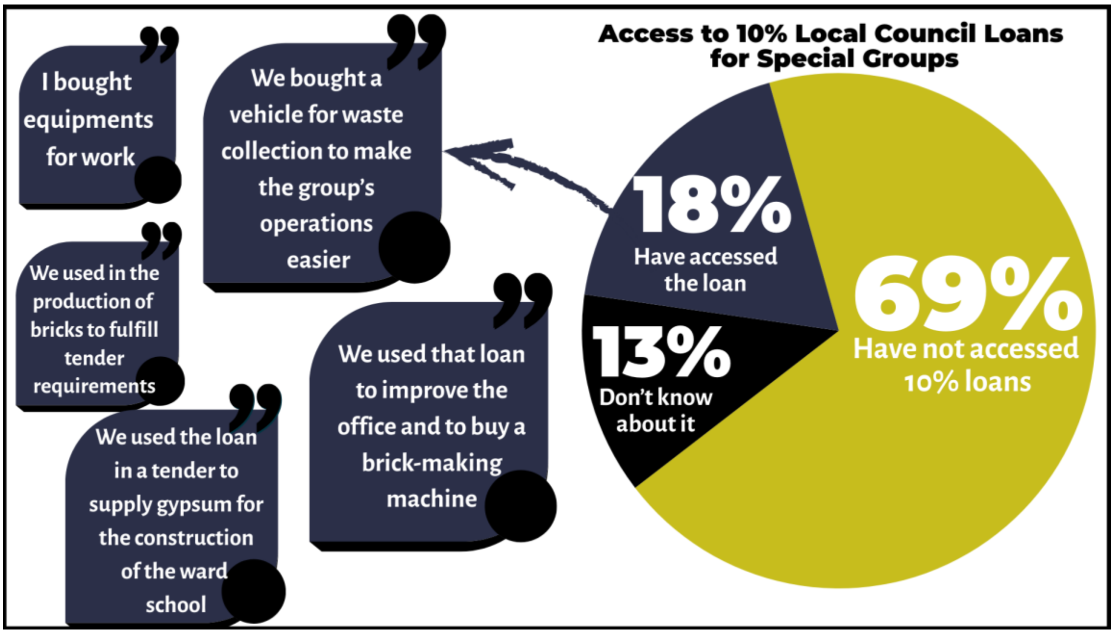
The agreement was preceded by a policy directive from the Deputy Prime Minister which eventually set the steam on joint efforts between the two organizations. Also PPRA and the Ministry of Community Development, Gender, Women and Special Groups as well as the Prime Minister's Office – Labour, Youth, Employment and Persons with Disabilities (PMO-LYED) have been organizing joint training on public procurement.

On its side, PPRA has established an up-to-date database that shows newly registered groups, and those underway of registration. The database provides easy access for stakeholders to follow-up on the group's progress in their locale even those who are outside the NeST system such as civil society organizations that offer training to special groups. The study noted that while the majority of the tenders are at the local council, Community Development Officers (CDOs) are expected to support training and sensitization of the scheme to groups, however, at the moment this is done in limited capacity.

10% Loan to Special Groups

The 10% loan is a revolving loan scheme from the local government distributed by the 4-4-2 principle, for Youth, Women, and People with Disabilities respectively. In 2018 the government instituted a legal amendment in the law to make it mandatory for all local government authorities to set aside 10% of their annual own collection revenue for these loans. During the study it was noted, while the loan is not set exclusively for supporting groups seeking public procurement opportunities, it is considered a support mechanism which can be directly applied to enhance the 30 percent scheme.

The study survey shows that only about 18 percent of the groups were able to access the 10 percent Women, Youth, or Persons with Disabilities Fund. Mostly indicated that they used the funds for the purchase of capital goods, for business expansion, and to meet contractual obligations after winning tenders. This indicates that the fund can also be one of the sources of enabling effective participation of special groups in public procurement. At the moment there is no direct linkage between the two government programs which have a goal of empowering special groups.



The main challenge of the fund at the moment, which led to its suspension is poor repayment from the special groups which have accessed the loan. In most cases, experience of poor return is due to the nature of the group, and their activities[1].

It was noted during the study that, **the linkage between the 30 percent scheme and 10 percent loans scheme,** will play a role in solving the repayment challenge, as groups have already have an assured stream of income, and at the same time solve the issue of capital as far as the issue of tender implementation is concerned.

"

> There may also be a link between tenders and the 10% council loans. For example, if someone wins a tender to supply goods, they could use the 10% council loan as capital. By presenting their tender award letter to the council, they can quickly access a loan to purchase the goods and supply them, then repay the loan once the government has paid them. This arrangement is secure because it is government-to-government. These loans typically run for at least a year, so even if payment is delayed, it will still fall within that period. This approach could work very well," a contribution during a focus group discussion.

[1] Samia: We are reviewing empowerment loans plan: www.thecitizen.co.tz/tanzania/news/national/samia-we-are-reviewing-empowerment-loans-plan-4165592

Civil society organizations and private sector

Engagement of the civil society organizations on the scheme so far have been on training, mentorship, advocacy and research. The coordination between civil society organization and responsible supporting entities is there, but it is not well structured or consistent. In most cases organizations that support special groups organize training, advocacy initiatives whenever they have resources to do so, however, there is no known joint strategy between government and civil society stakeholders or private actors.

> We've collaborated with PPRA in many areas. But specifically, under the Build for Success program we ran last year, which had five rounds. Apart from just creating awareness and helping people get into the system, for those receiving the complete intervention package, we provide every service necessary to help them compete for tenders at both national and international levels. This isn't just an awareness program, it's practical training," explained the Executive Director of the Tanzania Women Chambers of Commerce (TWCC).

In comparison with the local council revolving loans (4-4-2), the 30 percent scheme is yet to be widely popular. This affects even the number of civil society organizations engaging to support the groups, many civil society organizations still consider public procurement as a specialized, technical sector, without having a full grasp of its empowerment potential.

This perception has impacted the number of civil society organizations engaging in public procurement. Actors from the private sectors, specifically commercial banks have also designed several capacity building programs that focus on entrepreneurship in general but in some cases there are specific issues of vying for public tenders.

> There are many trainings, civil society provides them, and sometimes banks also run entrepreneurship programs. The problem is lack of coordination, anyone can design their own training," civil society stakeholder during the key informant interview.

Aside from the lack of coordination, another challenge that is noted for the training and capacity building activities provided by civil society organizations, is the lack of proper monitoring and evaluation framework, to check and see if the training were useful.

> “

> We implemented a very big project of training people in 2022 and 2024, which was very good in entrepreneurship matters. What I can connect distantly is perhaps some of those we trained later accessed the 10% loans, and some went a step further to set up small companies that could eventually benefit from the 30% in public procurement. That is more of a theory I'm constructing it has no firm evidence on how many did it. But from the business development and microenterprise skills we gave, that is what we can say,” civil society stakeholder during the key informant interview.

In trying to resolve this challenge some civil society organizations have redesigned their training programs.

> “

> In our training and mentorship program, we take participants through the entire process, up to the point where they can apply and win. In our *Bid for Success* program, mentorship is a major part. To graduate and receive a certificate, participants must have actually applied for a tender and show evidence, or at least attempted. If someone only attends the training but doesn't try, we can't give them a certificate. You must demonstrate action,” explained the Executive Director of the Tanzania Women Chambers of Commerce during the key informant interview.

Challenges faced by Special Groups

The study findings revealed several challenges faced by special groups in accessing public procurement opportunities. These challenges are structural, institutional, and environmental. They affect special groups at different stages: some before they even become aware of the tenders, others when they reach the point of applying but are unable to proceed, and others still when they are actively participating in the tendering process or implementation of the contractual obligations. Below are some of the key challenges noted in the study.

Partial awareness on the procurement opportunity

The study has noted that since the introduction of the 30 percent provision for special groups and its subsequent improvement, the overall awareness of the opportunity is still at a low level among members of the special groups.

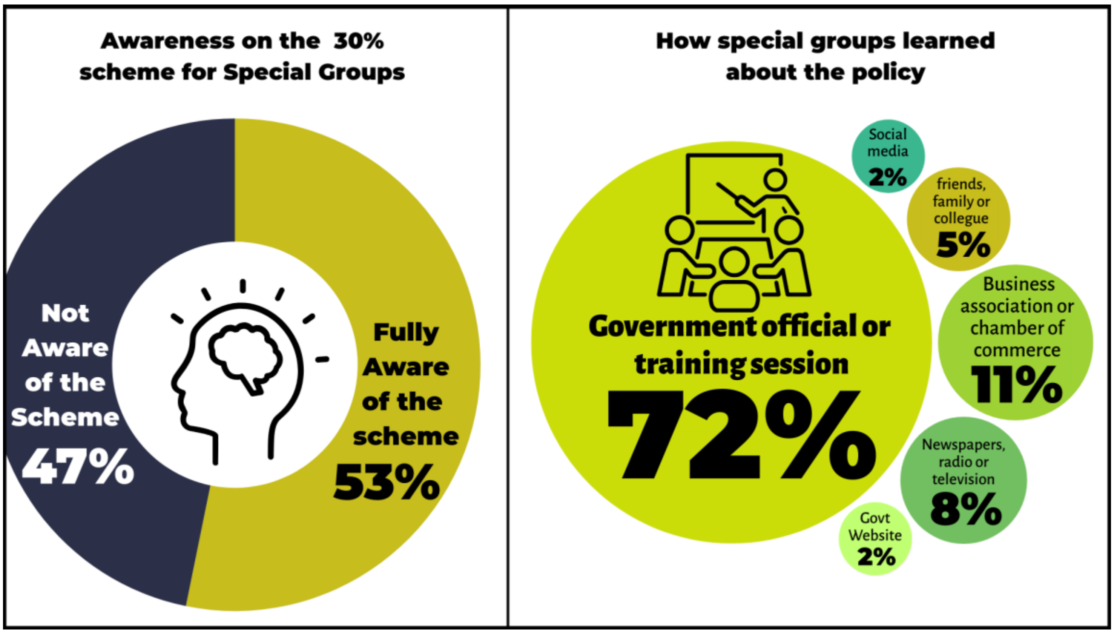
During the survey of this study, it was noted that only 53% were aware of the 30% public procurement reservation policy for special groups. Among those aware, 72% learned through government officials or training sessions. Others cited business associations (11%), media (8%); friends, family or colleagues (5%); and social media (2%) as sources. Awareness remains moderate but uneven across sectors. This was an interesting finding, as those surveyed are part of the members whose group have already received some training, and either registered for the scheme or in the process of registration.

> When we were told to form groups, what we were taught was only about forming groups. For me and my fellow members, we saw there are areas we weren't given enough information," FDG participant.

The study noted that while members were able to form groups, following training, most of them were not aware of the specific opportunity that was ahead of them after forming groups, especially regarding the 30 percent opportunity. In some areas such as Kigoma, it was noted that members of the group formed were not even aware about procurement opportunities.

The findings of the study depict also over reliance on traditional methods of raising awareness and little strategic use of technology or media. This has limited widespread adoption, to only when procurement authorities or stakeholders come in direct contact with targeted groups.

This was one of the points raised by stakeholders in the focus group discussion of this study: “I’ve attended some workshops on public procurement, but generally education is still lacking. I think education should be provided more—seminars that bring us together, or even media programs (e.g., a weekly segment) explaining tenders,” explained one of the FGD participants.



Both government and civil society organization have already tested the use of media and social media in raising awareness about the scheme, but this has been implemented in limited capacity, especially during press conferences of launching various programs about the scheme, PPRA has also started to test consistent engagement with the media through special programs, which is anticipated to yield much greater results.

Regulatory and procedural barriers

More than half of the survey respondents (54%) identified procedural challenges as a key barrier limiting the participation of special groups in public procurement. They identified the following specific challenges that given their limited capacity, they encounter: complex and lengthy tender documents, stringent qualification requirements, bureaucratic procedures, and database registration processes. In particular, some respondents noted that additional qualification requirements for service providers, such as multiple registrations with different regulatory bodies, can further constrain participation.

At the same time, it was observed that the Public Procurement Regulatory Authority (PPRA) has taken deliberate measures to address some of these concerns. PPRA has developed simplified standard tender documents specifically tailored for special groups and translated them into Kiswahili to enhance accessibility and understanding. These efforts are intended to reduce the burden associated with lengthy and complex documentation.

However, despite these improvements, the findings suggest that regulatory and procedural requirements remain a perceived obstacle for a significant proportion of stakeholders, indicating the need for increased sensitisation on the efforts made to make processes easier for Special Groups.

The study noted, to many participants of the special group, who mostly run smaller businesses, complex requirements that consume time and other resources, present a clear case for most of them to abandon the whole process altogether.

“

> My work is cooking. If you require me to attend for three weeks or a month of training to get a certificate, that’s hard. Those are the very times I might have cooking jobs that generate income. My mind tells me to cook so I can earn, rather than pause to get papers just to enter NeST, where even if I apply, I may not win. I’m told to go study at the Small Industries Development Organization (SIDO), it’s not free; maybe 900,000 shillings. If you bring a SIDO officer to inspect your premises, you pay an allowance. We’re being milked. Remove requirements that have little relevance. Let us first get into NeST and apply. Don’t make us produce certificates even before we’re in NeST. It’s bullying,” another case example noted during Focus group discussion.

Some of the members of the special groups highlighted that the requirements in some of the tenders, seems like a scheme to push them out of the tendering processes.

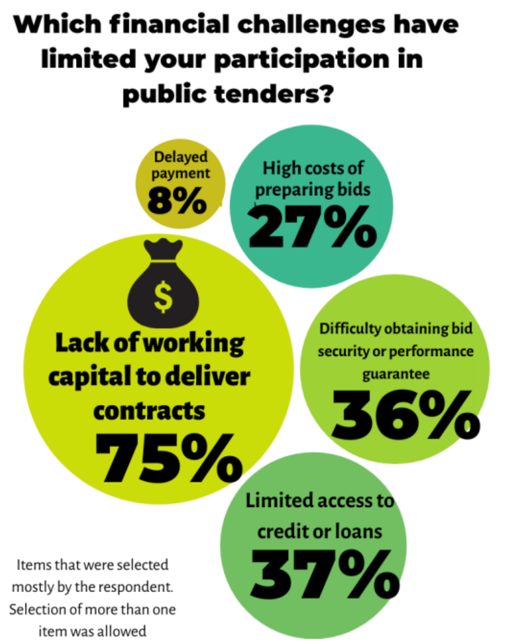
“

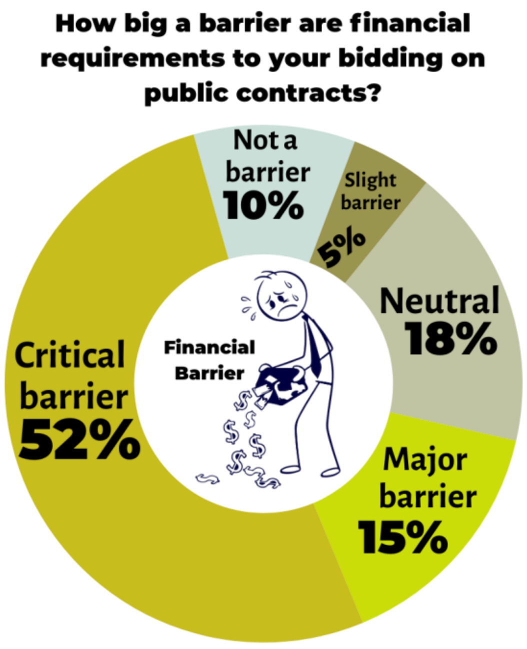
> Even big companies outsource some tasks. But the documents ask you to list all your machines and details like year of manufacture. It’s

discouraging because maybe you don't own that specific machine yet, even though you can deliver the job at a good price by outsourcing. They want many details that push you out as a group. With our small loans it's hard to own everything at the start; we build gradually. You find a good tender, but lack some attachments, so you're disqualified. That's one key challenge."

Financial constraints

Majority of special groups members who have managed to try to access tenders, highlight the issue of lack of working capital as one of the great hindrance to their efforts in trying to build business around available public procurement opportunities.





The first level of financial constraints comes with the capacity to participate in tender processes. Most of the special groups rely on local resource persons to guide them in applying for government tenders; including support in accessing the e-procurement system NeST.

The issue of financial constraints is even more heightened with the way payment circles are structured at various government entities.

“

It comes down to capital, especially for people with disabilities. Many run micro businesses informally. The tender process requires expenses, and to deliver you need adequate working capital. For example, if you're providing food, you must have enough food in stock. With small capital, and delayed payments, you can't continue. By the time you're paid, your money is depleted and restarting is hard. There was one group job we did around October/November, until today we're still owed. We took losses because we had to pay those from whom we had bought the food. The payment delays really hurt those at the bottom.”

Statement from participant during focus group discussion.

The issue of low working capital represents a conflicting situation between the existing law and practicality of the group in question as most groups fail to meet their obligation due to limited capital, which in turn ends up locking them out from accessing further procurement opportunities.

The groups are also facing a challenge of raising necessary funds for implementing projects or businesses, in available financial institutions due to their nature and structures, which in most cases are businesses just transitioning from informal set-ups.

“

We've encountered this and started engaging banks. Some challenges are with our banks, frankly, but our people also lack exposure, self-presentation and planning. For example, in Dodoma I met a young woman with a cleaning company. She has to pay her workers every month (a substantial total), but she has no loan, even after going to the bank. I asked myself: why is the bank failing to use this opportunity when she already has a valid contract at a public institution? What she needs is money upfront to pay workers while she waits for payment, because payments don't come on time. The month ends on the 30th, but funds arrive on the 15th of the next month. Workers can't wait.”

Statement from an official from an organization that supports special groups.

Unfair playing field

When participants of the study were asked regarding their perception of fairness, the results were mixed. A large number of the participants of the study (30%), believed that the procurement process was unfair to their businesses. While (34%) responded as neutral and about (37%) of the respondents said that the process is fair to them.

In further interrogation participants point out three items as the main issue and causes of unfairness. First preference for large or well-known firms (39%), lack of transparency in evaluation (32%), corruption or requests for bribes (15%). Findings from focus group discussion and key informant interviews noted that the three items are interconnected, including in some cases members of the group being compromised themselves to be used as conduit for commission rather than main implementer.

“

> We personally faced a challenge at the Council. Our documents were hidden, we were run around for almost a month. We had submitted a handwritten letter—with my handwriting and the chair’s. The response came from the Director, same wording, but the handwriting wasn’t ours. Our original letter had no correction pen marks; the returned one had been edited with correction pen—same content, but not our handwriting. That raised suspicion. We had been running around for a month just to be introduced to PPRA. We then went straight to the Director outside normal hours and explained our issues. He walked through every office to see where the letter went and discovered that the City had altered our letter.”

The issue of trust to special groups further heightened this challenge, as in most cases, there is a negative perception if these new businesses will be able to implement successfully. In some cases mistrust is due to existing informal networks between suppliers and procuring entities, and in other cases, this stems from experience of the procuring entities.

“

A tender is advertised, you apply, you meet all the criteria, and we’re told priority is for special groups. At the end of the day, you have everything, your quotations and all approved. Then they tell you you can’t get it because that organization has people they “trust,” people they’ve worked with for years, or who have paid some amount. They don’t trust these community groups directly. I even got a call from someone at a big company who said, ‘We saw your group in the system, in NeST’ and started explaining the process: ‘It’s very hard for you to get tenders. These organizations trust us because maybe we have financial muscle.’ Then he suggested: ‘Let our company use your access—make it look like you (as a special group) are taking the tender, but we are the main people. Then we split the proceeds.’ That experience was demoralizing,” contribution during focus group discussion.

The study revealed a persistent issue of perception bias against smaller groups by public officials. This bias is particularly entrenched in rural areas, where public officers often perceive the scheme as an added administrative burden, viewing the requirement to organize groups as extra work. In urban settings, while the dynamic environment ensures that groups are generally available and eager to participate, the primary challenge shifts to dealing with established vested interests among key suppliers at the organizational level. These findings were consistently reported throughout the study's focus group discussions and interviews.

The perception bias toward groups is further heightened because, at the local council level, the scheme has not yet been fully integrated among institutional players. The 30 percent procurement opportunity is still not seen as part of their routine work targets. There is also a prevailing attitude that the scheme is more about political score-keeping than genuine social transformation.

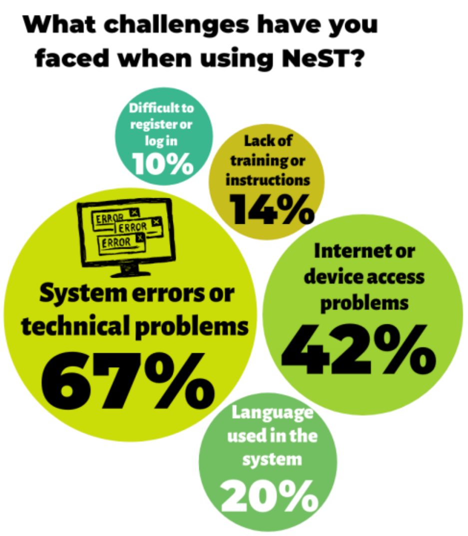
“

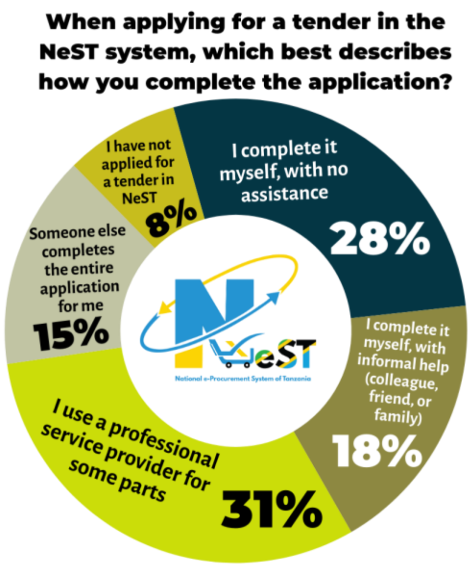
Another thing is that some procuring entities view the 30% allocation as just a box to tick to meet milestones. They worry that awarding them work might result in poor quality or failure to meet deadlines, since some are still not confident or think these opportunities are given out for political reasons, just like TASAF programs, where people are given work to qualify for stipends, without regard for quality, deadlines, or service standards. So, these are the issues. To summarize, challenges facing special groups in procurement include lack of trust: procuring entities still do not fully believe in the capability of these groups," extract of interview from a government expert.

Capacity challenges

Digital literacy

While the use of e-procurement is appreciated by most public procurement applicants, there are associated challenges, related to the use of e-procurement platform NeST, mostly related to capacity to use digital technologies and available tools. The study noted most of the users of special groups are either relying on relatives, using stationery and internet cafe vendors, in some cases users have visited directly the office of PPRA for support. 34% of standard survey respondents indicated that they are not confident in the use of the NeST system.





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The English used makes it difficult for our group since many of us are not well-educated. Also, the system requires a laptop, but we don’t know how to use one, so we incur extra costs to seek help at a stationery shop,” one of the participants from the focus group discussion noted.

Findings from the study indicate the most issues faced by users who used NeST are around system errors or technical problems (67%) and Internet or device access problems (42%), Language used in the system (20%). The study noted during the key informant interviews and focus group discussion that available assistance for example by those who have been able to visit PPRA offices have been essential in guiding groups.

“

Many of us finished Form Four and now work as bodaboda (motorcycle taxi); we organized ourselves to form a group so that when tenders arise that we can handle, we can apply. But we don’t have experience using computers, nor applying online. So sometimes tenders come up that we could do—like office cleaning, market security, revenue collection at markets and bus stands—which youth, if organized, could handle. But how do we apply through this system? That’s already a challenge for us. Using computers and applying online is a bit hard. So we face many challenges using that system.”

The available digital challenges including the issue of cost, devices and also network challenge, directly affect individuals who are trying to access these opportunities.

“

In the rural areas, the main problem is the lack of internet access. Most groups don’t have smartphones, entrepreneurs there mostly use basic phones. So, when we talk about digital inclusion, we must ensure it’s inclusive enough for rural entrepreneurs to also benefit. In the villages, people use simple phones, and even those who have smartphones often can't afford internet bundles. Someone might buy a 500-shilling bundle expecting it to last a whole week, but how many MBs is that? You can hardly do anything with it," statement from organizations supporting special groups.

Lack of business management skills and limited legal knowledge

Some examples of groups that have successfully managed to bid, win and implement tenders are those which have also showcased some business management skills. This is translated on how these businesses utilize profit, maintain working capital and improve their businesses. Many groups have some skills to enable them to participate in the procurement processes but lack knowledge in business planning, bookkeeping, budgeting, or risk management. This in turn affects their business prospect, and in most cases their growth.

Sometimes you find a group saying, 'We've won tenders twice,' but their living standards haven't changed. You wonder, where did the money go? It's similar to those receiving the 10% council loans, we once saw groups that received 100 million shillings but showed no visible change. Likely, they just shared the money and used it for personal consumption instead of business," statement from an organization supporting special groups.

Special groups may not understand contract law, procurement regulations, or their legal rights in case of disputes. This exposes them to exploitation or disqualification without proper recourse.

Non-compliance of procuring entities

One of the major challenges noticed is the culture of non-compliance among procuring entities especially when it comes to the implementation of the 30 percent preferential scheme.

> Many things are happening not as directed by the law, and in some cases, you see the law being bent, with decisions made based on discretion. The culture of non-adherence to the law is a big issue, non-compliance is normalized as a way of doing things. This was also revealed in the Controller and Auditor General (CAG) report: some institutions operate without even announcing tenders."

With limited monitoring capacity and low awareness among the population, non compliance remains prevalent and it is one of the reasons that implementation has not picked up to meet the potential of the scheme. Findings from past studies indicated compliance levels by procuring entities were in the range of 2 percent (Assessment of the Tanzania Public Procurement System 2025) to 6 percent (PPRA, 2021).

Recommendations

1. Strengthen awareness and information access

360 media campaign by PPRA and stakeholders: PPRA in collaboration with CSOs and District Community Development Offices should create and implement a structured awareness campaign using traditional and digital channels (radio, TV, WhatsApp groups, social media, and SMS alerts) to inform members of the public about the available tender opportunities. With the NeST system, it's now possible to build capabilities that alert registered groups of opportunities in their localities.

Promote mentorship and networking: The awareness mechanism can be complemented with peer-to-peer mentoring programs, where experienced groups such as SAWA or Ufahamu Women Group can also be engaged in mentoring new groups through platforms set by PPRA and collaborating organizations. It is proposed that annual or semi-annual networking platforms can be established for exhibition and also be used as networking centers, through which groups can also meet and resolve issues through collaboration.

It is also proposed on the margin of East African Procurement Forum (EAPF) a special meet-up for a special group to be set-up, where practice, technical aspect and policy can be dissected by listening to special groups across East Africa.

PPRA working with partners can plan to establish platforms for recognition and networking such as fairs or exhibitions where special groups showcase their services and connect with larger procurement entities.

2. Enhancing stakeholders coordination through the establishment of a joint coordination framework

A joint coordination framework between PPRA, the National Economic Empowerment Council (NEEC), and the Ministry of Community Development, Gender, Women, and Special Groups (MoCDGWSG), Development partners, VETA and SIDO as well as private actors and civil society organizations working on supporting special groups around the 30 preferential scheme should be established. This is to respond to the need of raising awareness among special groups, and also providing technical support to them. This framework should allow that efforts of capacity building by different actors to be consolidated; with goals, objectives as well as monitoring and evaluation cross shared across these actors. This can be achieved through a joint project or joint initiative between the stakeholders.

3. Address financial constraints

Alignment of the 10 percent council loan with the 30 preferential scheme: In solving the issue of capital, local councils should be encouraged to align the 10 percent revolving loan issued for special groups at council level, to also support groups receiving tenders at the council level. In some councils where Banks that have been contracted by the government to disburse the 10 percent loan, the loan together with the procurement contract can also be used for the special group to create a working profile for successfully receiving loans through Banks.

There should also be more awareness created to make SGs aware of alternative financing opportunities such as youth and women development funds, credit guarantee schemes, commercial bank products, and specialized SME financing programs across different government initiatives.

Critically, winning a government tender should be formally recognized as a valid, bankable business opportunity, allowing Special Groups to use their award letters to access the necessary working capital for contract execution.

Using procurement contracts to secure Bank loans for implementation: Through memorandum of understanding with Banks, procurement contract should introduce a provision for introduction to the Banks, for special groups to receive advance and low-interest loans, which can be settled by monies receiver.

4. Monitoring, evaluation, and impact assessment

Data for accountability: It is recommended that the PPPRA build on its integration of the Open Contracting Data Standard (OCDS) within the NeST, through which public contract information is now accessible. To maximise the transparency gains from this reform, PPRA should be supported to proactively popularise and facilitate access to this data—particularly disaggregated data on special group (SG) participation—through targeted media engagements, stakeholder outreach, and other forms of public awareness initiatives. Strengthening visibility and usability of the available data will promote broader monitoring and accountability by a wider range of stakeholders beyond the traditional procurement oversight actors.

Periodic impact assessments: To showcase the significance of the scheme in socio-economic empowerment of special groups, it is proposed that regular periodic impact assessments are undertaken measuring socioeconomic benefits that include jobs created, income growth, business sustainability. This will provide a detailed picture of the scheme progress, including showcasing areas for policy intervention.

Joint monitoring of implementation: It is recommended that the PPRA continue overseeing compliance with special group procurement provisions, while strengthening collaboration with the National Economic Empowerment Council (NEEC) and the Ministry of Community Development, Gender, Women and Special Groups (MoCDGWSG). Rather than focusing solely on audits, a coordinated monitoring approach should be adopted, with joint monitoring teams established to periodically review and assess the implementation and effectiveness of the scheme. This would enhance oversight, promote shared accountability, and ensure that emerging challenges in access for special groups are identified and addressed in a timely manner.

Strengthen oversight to ensure genuine SG beneficiary participation: To ensure that Special Groups (SGs) are the true executors of awarded contracts, the PPRA, in coordination with sector regulators and local government authorities, must implement a robust monitoring framework. This oversight is essential to verify that the intended groups are directly managing and implementing their projects.

The proposed oversight framework should encompass the following elements:

1. Regular audits focusing on contract execution;
2. Unannounced field inspections and verifications;
3. Mandatory reporting of all subcontracting details;
4. Enforcement of penalties for status misuse or the use of proxy entities.

Implementing these controls will safeguard the policy's integrity, ensuring that SGs gain meaningful economic benefits and essential capacity-building experience.

5. Strengthen compliance by procuring entities

Setting up a rewarding mechanism: The study proposes that a mechanism for the recognition of institutions that perform well on special group participation should be set. For example, those Procuring Entities that reach or exceed the 30% target. This recognition mechanism can include annual awards or the like.

Review of fees for special group tenders: Given that tender advertisement fees are prescribed in the Regulations and the Public Procurement Regulatory Authority (PPRA) does not have the mandate to waive them unless the Regulations are amended, the study recommends advocating for a review and reduction of these fees for special group tenders. Lowering the prescribed fees would better align with the objective of promoting participation by marginalized groups and would reduce the risk of non-compliance, particularly among smaller local government authorities with limited financial resources.

Institutionalize Mandatory Inclusion Controls within NeST: PPRA should fully institutionalize automated compliance controls within the NeST system to ensure procuring entities allocate opportunities to special groups at the planning stage rather than during post-procurement audits.

The system should:

- Require procuring entities to designate reserved tenders for special groups within Annual Procurement Plans (APPs);
- Prevent submission of APPs that do not demonstrate compliance or justify exemptions;
- Generate automated compliance reports and dashboards accessible to oversight institutions and the public.

This would strengthen accountability and shift implementation from reactive enforcement to preventive compliance.

6. Build capacity of special groups

Promote NeST mobile clinics: The study highlights persistent gaps in technical and human resource capacity across many councils, limiting their ability to effectively support special groups in navigating digital government platforms. To address this, the PPRA should be supported to scale up and further promote NeST mobile clinics as an outreach mechanism for enhancing digital inclusion. These clinics provide critical hands-on support and awareness to users of the NeST system, particularly in underserved areas. At the same time, structured and continuous capacity-building programmes should be implemented for council staff—especially Community Development Officers—to institutionalise knowledge and ensure sustained, local-level assistance beyond periodic outreach engagements.

Establish customer service centres: In parallel, the Government should prioritise the establishment and operationalisation of well-equipped customer service centres within councils to strengthen access to digital public services. These centres would serve as dedicated access points for platforms such as NeST, the e-Government Agency (Tausi), and the Tanzania Revenue Authority systems. Particular emphasis should be placed on councils located in areas with low internet penetration, where physical access points, reliable connectivity, and trained personnel are essential to bridging the digital divide and promoting inclusive participation in online government services.

Training of trainers at district and regional level: Noticing that most special groups are concentrated at district level. Efforts should be made for training of trainers targeting community development officers at the district and regional levels. This includes joint training between procurement officers and community development officers to ensure enhanced coordination and collaboration between the two. A simplified manual of common questions should be developed and shared with these graduate officers. Whatsapp groups of members of special groups at district level to allow information sharing and shared learning, including response to queries.

Develop Tailored Online Courses: The study proposes the creation of an online module specifically for special groups covering topics such as: Navigating the NeST e-procurement system; basic computer skills and online communication and online document submission and tender tracking as well as digital financial management for small businesses.

Enhancing dissemination of user-friendly guidance materials: The study notes that the PPRA has already developed NeST video guides tailored for special groups to support registration and participation on the NeST platform. It is therefore recommended that PPRA be supported to more widely publicise and disseminate these multilingual (Swahili and English) learning materials—including audio and short video content—through targeted outreach, partnerships, and media channels, so as to reach a broader audience of special groups and enhance effective utilisation of the platform.

Include Financial Management and Governance Training for Special Groups: The Government, in coordination with various government and non-government partners, should implement regular and structured practical training programs to address the systemic barriers faced by SGs. These programs are essential for ensuring that youth, women, and persons with disabilities can effectively manage the contracts they are awarded and grow their enterprises sustainably.

The training curriculum should specifically focus on:

- Financial discipline and robust internal controls to safeguard project funds;
- Building trust and accountability frameworks within groups to prevent internal conflicts;
- Joint venture and consortium management to enable SGs to bid for larger, more complex works;

Comprehensive bookkeeping, financial reporting, and tax compliance to ensure long-term business viability. To maximise impact priority for these interventions should be given to newly registered groups and those with active government contracts

Case studies

1. SAWA Group: A story of youth empowerment through public procurement

In the bustling heart of Dodoma, a group of determined young people decided to take their future into their own hands. United by a shared dream and a set of practical skills, they formed SAWA Group, a team of youth artisans committed to delivering quality plumbing and sanitation services in their community.

It all began in 2017, when the group was officially registered. Like many youth groups across Tanzania, they were inspired by the government's initiative to support special Revised Draft Report on SG Participation in Public Procurement (1).docxRevised Draft Report on SG Participation in Public Procurement (1).docxgroups including youth, women, and persons with disabilities through access to public procurement. For SAWA Group, this was more than just a policy; it was a chance to prove themselves and build meaningful livelihoods.

Their big break came in March 2018, when they successfully won their first government tender through the Dodoma Urban Water Supply and Sanitation Authority (DUWASA). It was a moment of triumph and a turning point in their journey. What began as a small team with modest tools quickly transformed into a professional outfit providing reliable services in water supply and wastewater management.

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> **We started the group to improve our lives," recalls Yona Mangi, the group's Secretary. "Before this opportunity, many of us were struggling. But when we got that first tender from DUWASA, everything changed. We began to see the value of teamwork and the impact of doing quality work."**

From that first contract, SAWA Group established itself as a trusted name in Dodoma's water and sanitation sector. Their consistency, reliability, and professionalism earned them repeat contracts and referrals. Over time, the group not only grew its capacity but also its sense of purpose, to create sustainable employment for young people and contribute to community well-being.

The impact on individual members has been remarkable. Young men who once depended on casual labor now earn stable incomes. Many have managed to rent or even build their own houses. Others have started families, paid for further education, or inves

> The changes are visible," Yona explains proudly. "Our members have become independent. Some who used to live with their parents now have their own homes. They've married, started families, and even bought plots to build on. That's the power of opportunity."

What makes SAWA Group stand out even more is its inclusivity. Among its members are four women — two working in administration and two in the field as technicians. In a sector traditionally dominated by men, their presence is both inspiring and transformative. They manage finances, handle documentation, and contribute directly to the technical work on-site.

At their small but organized office in Dodoma, the atmosphere is one of shared purpose. Asha, the treasurer, keeps the group's finances in order, while Jeni Komba, the office assistant, documents progress reports from the field. Their teamwork ensures that both operations and finances run smoothly.

In the field, technicians like Nasri Bakari take pride in maintaining Dodoma's sanitation systems. His team works tirelessly to unblock sewer chambers and ensure wastewater flows properly through the city's underground networks.

> Our work keeps the environment safe," Nasri says. "When the sewer systems overflow, they cause health risks. So we make sure everything flows as it should. The biggest challenge we face is public behavior, people dispose of things like sanitary pads and cloth into toilets, which causes blockages. We keep educating them on better habits."

Despite their successes, SAWA Group's journey hasn't been without challenges. Tendering procedures can be complex and technical, often written only in English, which limits participation for many youths. The group also highlights the need for closer government follow-up and mentorship for small youth-led enterprises.

Still, SAWA Group remains optimistic. They see themselves not only as beneficiaries but as proof that public procurement works when implemented inclusively.

> We thank the government for giving us this opportunity," Yona adds. "But we encourage them to simplify the process and make tenders available in both English and Kiswahili. That way, more young people can benefit. We also need continued training and support, because these groups have created real jobs for Tanzanian youth."

Through determination, teamwork, and government support, SAWA Group has grown from a small community initiative into a model of youth-driven enterprise. Their work has improved sanitation systems, created employment, and inspired others to pursue similar paths.

Today, as the team continues to expand their services, they stand as a living example of what can happen when policy meets passion, when young people are given the tools, trust, and opportunity to build their own success.

SAWA Group is not just a plumbing enterprise; it is a story of transformation and a proof that when youth are empowered through access to opportunity, they can build not only their own future but also a cleaner, stronger, and more sustainable Tanzania.

2. The story of Ufahamu Women Group: building roads, breaking barriers

In Tabata Kisukuru, Dar es Salaam, a group of determined women are changing what it means to participate in public procurement. Among them is Eng. Kusunkwa Hussein, a civil engineer by profession and a member of Ufahamu Women Group, a women-led enterprise that has risen from humble beginnings to become an active player in Tanzania's construction sector.

The group specializes in road and building construction, renovation works, and the supply of construction materials such as doors, bricks, and cement. They also engage in public cleaning and road maintenance — jobs that were once considered beyond the reach of women. For Kusunkwa and her team, participation in public procurement has not only been an opportunity for growth but also a journey of learning and resilience.

> We have truly benefited from government tenders," Kusunkwa explains. "We've managed to secure about twelve tenders so far, which we've successfully completed, and we continue applying for more. Of course, we've faced challenges — there are around fifteen other tenders we applied for and didn't get — but every experience has taught us something valuable."

One of their biggest hurdles has been financial. In most government contracts, no advance payments are made, meaning contractors must start projects using their own funds. "You have to go in with your own cash," Kusunkwa says. "Once the work reaches a certain percentage, that's when you can request payment. But since we don't have access to loans or advance capital, it can be tough to keep everything running smoothly."

Despite these obstacles, the group has developed a system that relies on trust, planning, and careful negotiation. They ensure that clients agree to phased payments, and they communicate openly about timelines. Still, delays sometimes occur, especially due to government systems, which can slow down project completion and strain relationships with workers who depend on timely wages. Yet, the women have remained steadfast, adapting to each challenge with creativity and teamwork.

The tendering process itself has also brought lessons. Kusunkwa recalls moments when their bids were disqualified because of missing documents. "Sometimes you're asked to attach a document you simply don't have," she explains. "You may have all the qualifications and capacity to do the job, but without that one paper, your chance is gone."

She urges institutions like the Public Procurement Regulatory Authority, TARURA, and TANROADS to review such criteria, so that capable groups are not excluded by minor administrative barriers.

Still, the journey has not been without reward. Through their successful tenders, Ufahamu Women Group has managed to repay loans issued by the municipal council and invest in new projects. "We haven't just relied on NeST tenders," Kusunkwa adds. "We also run our own projects as a group, using the experience and income from government contracts to grow further."

She emphasizes that the key to sustaining this progress lies in persistence and preparedness. "We should never give up just because we failed once," she advises other groups. "Keep applying and make sure your documents are always ready. The more we participate, the more we learn."

Kusunkwa also believes that systemic improvements could go a long way in empowering more groups to participate successfully. Timely payments would encourage others to join without fear of financial strain. Simplifying the documentation process and providing clear feedback to those who are not successful would also motivate improvement rather than discouragement. "When you lose a tender, you should at least know why," she insists. "That feedback helps you prepare better for the next one."

She also proposes that local councils, after issuing 10 percent loans, prioritize those same groups when awarding public contracts. In her view, this would create a sustainable cycle where women and youth-led groups not only access capital but also gain opportunities to generate the income needed to repay those loans. Kusunkwa further suggests that councils could partner with banks to guarantee these loans, allowing groups to access credit without risking personal assets like homes.

Looking back, she reflects on how far her group has come. "When we started, we already had a local council loan, but we realized our projects couldn't grow without extra work," she says. "So, we prepared a small capital base, just in case we got a tender from NeST. And when the opportunity came, we used that as our starting point."

From those early steps, Ufahamu Women Group has built not just roads and classrooms, but a legacy of determination and empowerment. Their journey shows that when women are given access to opportunities in public procurement, they don't just construct infrastructure, they build stronger communities, inspire others, and redefine what participation truly means.

3. Bid for success: How the Tanzania Women Chamber of Commerce empowers women in public procurement

When the Tanzania Women Chamber of Commerce (TWCC) launched its Bid for Success program, it was driven by one simple but powerful goal: To help women and marginalized entrepreneurs compete effectively in public procurement. Today, that vision is transforming lives and strengthening the women's business landscape.

According to Mwajuma Hamza, the Chief Executive Officer of TWCC, the Bid for Success program was born out of a strong collaboration between the Chamber and the Public Procurement Regulatory Authority (PPRA). Through this initiative, TWCC has created a pathway that enables women entrepreneurs to confidently access opportunities in both national and international procurement markets.

> We developed and implemented a program called Bid for Success (B4S). It builds the capacity of entrepreneurs to compete effectively," Mwajuma explains. "It's a year-long mentorship journey where participants are guided step-by-step, from setting up proper business systems to understanding how to apply for tenders and get registered on platforms like NeST and international procurement systems."

The program is inclusive and practical, designed to empower all groups, from startups and microbusinesses to medium and large enterprises. Special attention is given to marginalized groups who qualify for the government's 30 percent procurement allocation. But as Mwajuma emphasizes, B4S encourages participants to dream bigger.

> If a group of women providing cleaning services in Ilala Municipality feel ready to compete for a national tender at CRDB Bank or TRA, we tell them, 'Go for it.' As long as they have a business license, TIN, and the required documents, they can compete at any level."

This blend of awareness, training, and mentorship is what makes the partnership between TWCC and PPRA unique. PPRA plays a critical role in helping participants navigate the procurement system, especially with registration challenges, while TWCC focuses on hands-on coaching and enterprise growth.

The collaboration has already produced remarkable results. Through five rounds of the Bid for Success program in the past year, TWCC trained 200 participants, helping them collectively access tenders worth 29 million shillings. Even more inspiring, the participants have created 1,247 new jobs through their ventures.

But behind these numbers are real stories of transformation. Mwajuma recalls one particularly emotional moment:

> Just yesterday, I received a message from a woman in Tabora, she was crying tears of joy. She told me she had finally won a school cleaning contract after several failed attempts. She said, ‘Boss, God bless you.’ Before, she used to quote prices that were too high and got disqualified. This time, with the right guidance, she got it right and won.”
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> Moments like these remind Mwajuma why the program matters. “We don’t just create awareness and leave people behind,” she says. “We walk with them hand in hand, until they win.”

Through continuous outreach events, like their recent one at Mbezi Garden in September, TWCC and PPRA continue to build momentum. Their partnership has become a model of how collaboration, mentorship, and inclusion can empower women to thrive in competitive markets.

The Bid for Success program is not just a training initiative; it’s a movement, one that is unlocking potential, building confidence, and transforming Tanzanian women entrepreneurs into powerful players in public procurement.