FREE RESOURCE · DIAGNOSTIC

Absorption Acceleration Diagnostic

Categorise every blocked procurement.

Find the root cause. Clear the pipeline. Spend the budget.

5 Cause categories	**4** Severity levels	**3** Priority tiers

WHO THIS IS FOR:

DFI disbursement officers · County finance teams · NGO programme managers

Any organisation where budget absorption is below target and procurement is the bottleneck

NITA-ACCREDITED
TRAINING PROVIDER

ustadiafrica.com · info@ustadiafrica.com · +254 704 299 773

HOW TO USE THIS TEMPLATE

The Procurement Pipeline Diagnostic: Why Absorption Fails

Low budget absorption is rarely a funding problem. In most cases, it is a procurement problem — transactions that are stuck in the pipeline because of a specific, identifiable cause. The solution is not to procure faster in the final quarter. It is to identify each blocked transaction, understand exactly why it is blocked, and address each cause systematically.

This template applies the same diagnostic framework Ustadi Africa uses in live procurement acceleration engagements. It categorises every blocked transaction by cause type and severity, which determines both the appropriate intervention and the realistic timeline to resolution.

HOW TO USE THIS TEMPLATE

Step 1. Gather your complete procurement pipeline — all transactions with status "Pending", "In Progress", or "Stalled".

Step 2. For each blocked transaction, identify the cause category (Section 2) and mark the severity (Section 3).

Step 3. Enter each transaction into the relevant priority pipeline table in Section 4.

Step 4. Assign a responsible owner and a realistic next action with a target date.

Step 5. Review the pipeline dashboard (Section 5) weekly and update status until absorption target is reached.

Step 6. Use Section 6 (Root Cause Analysis) to prevent recurrence in the next budget cycle.

The Cost of Delayed Absorption

For every KES 1 billion in unspent development budget at year-end, the direct costs include: lapsed appropriations that cannot be carried forward, emergency supplementary budget requests, project timelines extended (adding overhead costs), and donor or DFI confidence erosion that affects future disbursement conditions. The procurement cost of clearing a blocked pipeline in Q4 is always higher than clearing it in Q1.

ABSORPTION BENCHMARKS — Kenya Context (2025/26)

- National government development absorption target: 100% by June 30
- County government Q1 absorption average (FY25/26): 2% of development budget
- Counties with zero Q1 development expenditure: 20 out of 47

- IMF-estimated stalled government projects in Kenya: 1,000+
- Typical absorption required in Q3/Q4 to catch up from 2% Q1: 98% in 9 months
- NGO development partner absorption deadline (most USAID/FCDO grants): 90 days before grant end

SECTION 2

The 5 Cause Categories

Every blocked procurement transaction falls into one of five root cause categories. Identifying the category is the first step — because each category requires a different intervention. Treating a compliance-blocked transaction as a process failure wastes time. Treating a budget failure as a supplier issue wastes money.

CAT-1: BUDGET & AUTHORISATION FAILURES

Budget not activated, vote code incorrect, approval authority unavailable, commitment not raised.

- Vote book not activated for current FY
- Procurement exceeds available budget allocation
- Authorisation chain incomplete (acting officer not reflected in system)
- Commitment voucher not raised in IFMIS before procurement
- Budget reallocation not processed — original vote code inactive

CAT-2: PROCUREMENT PROCESS FAILURES

Procurement method wrong, evaluation incomplete, specifications inadequate, bid evaluation stalled.

- Procurement method not appropriate for value threshold (PPADA Schedule 1)
- Evaluation committee quorum not met — evaluation stalled
- Technical specifications inadequate — no responsive bids received
- Single-source justification not properly documented
- Framework agreement expired — no new contract in place

CAT-3: SUPPLIER AND MARKET FAILURES

No qualified suppliers, pricing above budget, supplier capacity issues, supplier not registered.

- No local suppliers can meet the technical specification
- All responsive bids are above the budget estimate — specification needs revision or budget review
- Selected supplier cannot deliver within required timeline
- Supplier not registered in e-GP or KEMSA (for health commodities)
- Post-USAID supplier landscape — established supplier framework collapsed

CAT-4: COMPLIANCE AND APPROVAL BLOCKAGES

Compliance approval required from donor, regulator, or internal governance body before procurement can proceed.

- Donor prior approval required for procurement above threshold — not yet obtained
- PPRA no-objection letter required — not yet applied for

- Board or Tender Committee approval required — next meeting not scheduled
- Environmental or social safeguard assessment required before award
- Legal review not yet completed for high-value contract

CAT-5: ADMINISTRATIVE AND CAPACITY FAILURES

Documents missing, staff capacity gaps, information system failures, filing and record-keeping breakdowns.

- Procurement officer vacancy — no one to run the process
- e-GP access issues preventing plan upload or PO issuance
- Specification writing capacity gap — requirements not documented
- Historical documentation missing — cannot establish baseline for procurement
- Information system (IFMIS, ERP) not reflecting correct data for procurement decisions

SECTION 3

Severity Framework

After identifying the cause category, assign a severity level to each blocked transaction. Severity determines how urgently it must be cleared and whether it requires escalation.

SEVERITY	DEFINITION	BUDGET IMPACT	TIMELINE RISK	ACTION
S1 — CRITICAL	Transaction blocking multiple other procurements (cascade failure). Or: single high-value transaction representing >20% of remaining absorption target.	High — directly causes absorption failure if unresolved	Will miss year-end deadline if not cleared within 2 weeks	**Immediate escalation. Dedicated resource. Daily monitoring.**
S2 — HIGH	High-value transaction (>KES 5M or >10% absorption target). Or: blocked for more than 45 days with no resolution in sight.	Significant — will materially affect absorption rate	At risk of missing deadline without active intervention	**Weekly review. Named owner. Resolution plan within 5 days.**
S3 — MEDIUM	Mid-value transaction blocked by a resolvable cause. Cause has a clear fix but fix requires coordination across departments or external parties.	Moderate — will affect absorption but manageable	Can still meet deadline if addressed within 30 days	**Bi-weekly review. Action plan within 10 days.**
S4 — LOW	Low-value transaction with a simple fix. Blocked by an administrative issue that any staff member can resolve with the right information.	Low — minimal impact on overall absorption rate	No deadline risk if cleared within 60 days	**Monthly review. Batch-resolve with other S4 items.**

Prioritisation Matrix

Once each transaction is categorised and severity-rated, prioritise clearance using this matrix. The goal is to maximise absorption impact per unit of effort.

	S1 — CRITICAL	S2 — HIGH	S3 — MEDIUM	S4 — LOW
CAT-1: Budget/Auth	**DO FIRST**	**Do this week**	Do this month	Schedule
CAT-2: Process	**DO FIRST**	**Do this week**	Do this month	Schedule

CAT-3: Supplier	**Escalate + Act**	**Act this week**	Act this month	Review need
CAT-4: Compliance	**Escalate now**	**Escalate this week**	Plan escalation	Monitor
CAT-5: Admin/Capacity	**Resource now**	**Resource this week**	Resource in 2 weeks	Batch resolve

SECTION 4

Priority Pipeline Tracking Tables

Enter each blocked transaction into the relevant priority tier table. Focus your time and resources on the S1 and S2 tables. S3 and S4 can be managed in weekly batches.

PRIORITY TIER 1 — S1 CRITICAL (Act Immediately)

REF #	DESCRIPTION	BUDGET (KES)	BLOCKED SINCE	CAUSE CATEGORY	SEVERITY	OWNER	NEXT ACTION	TARGET DATE	STATUS

PRIORITY TIER 2 — S2 HIGH (Act This Week)

REF #	DESCRIPTION	BUDGET (KES)	BLOCKED SINCE	CAUSE CATEGORY	SEVERITY	OWNER	NEXT ACTION	TARGET DATE	STATUS

REF #	DESCRIPTION	BUDGET (KES)	BLOCKED SINCE	CAUSE CATEGORY	SEVERITY	OWNER	NEXT ACTION	TARGET DATE	STATUS

PRIORITY TIER 3 — S3 MEDIUM (Act This Month)

REF #	DESCRIPTION	BUDGET (KES)	BLOCKED SINCE	CAUSE CATEGORY	SEVERITY	OWNER	NEXT ACTION	TARGET DATE	STATUS

PRIORITY TIER 4 — S4 LOW (Schedule and Batch)

REF #	DESCRIPTION	BUDGET (KES)	BLOCKED SINCE	CAUSE CATEGORY	SEVERITY	OWNER	NEXT ACTION	TARGET DATE	STATUS

SECTION 5

Absorption Progress Dashboard

Update this dashboard weekly. Share with your Accounting Officer, DFI project officer, or programme director at each reporting cycle.

METRIC	BASELINE (DIAGNOSTIC DATE)	WEEK 2	WEEK 4	WEEK 6	WEEK 8	TARGET
Total budget (KES)						
Total expenditure to date (KES)						
Absorption rate (%)						
Total blocked transactions (count)						
S1 Critical — count remaining						0
S2 High — count remaining						0
S3 Medium — count remaining						0
S4 Low — count remaining						
Value of pipeline cleared (KES)						
CAT-1 Budget/Auth — resolved count						
CAT-2 Process — resolved count						
CAT-3 Supplier — resolved count						
CAT-4 Compliance — resolved count						

METRIC	BASELINE (DIAGNOSTIC DATE)	WEEK 2	WEEK 4	WEEK 6	WEEK 8	TARGET
CAT-5 Admin — resolved count						

SECTION 6

Root Cause Analysis — Preventing Recurrence

Once the immediate pipeline is cleared, use this analysis to address the systemic causes — so the same blockages do not recur in the next budget cycle.

Budget & Authorisation

Diagnostic question: What caused the budget activation delay or authorisation gap?

- Vote books not activated at FY start — who is responsible and what is the lead time required?
- Authorisation chain: are all positions filled, and are acting assignments documented before vacancies occur?
- Commitment voucher process: is the process documented and known to all procurement staff?

Finding:	
Root cause:	
Action required:	
Owner / Deadline:	

Procurement Process

Diagnostic question: What in the procurement process design is creating bottlenecks?

- Evaluation committee availability: is quorum achievable within the required timelines?
- Specification quality: who is responsible for technical specifications, and do they have the skills required?
- Framework agreements: are they being maintained and renewed before expiry?

Finding:	
Root cause:	
Action required:	
Owner / Deadline:	

Supplier and Market

Diagnostic question: What supplier landscape issues are creating procurement delays?

- Local supplier capacity: are there enough qualified local suppliers for our key categories?
- Supplier registration: are key suppliers registered in all required systems before procurement begins?

- Market pricing: are our budget estimates based on current market prices?

Finding:	
Root cause:	
Action required:	
Owner / Deadline:	

Compliance and Approval

Diagnostic question: What compliance requirements are not being anticipated early enough?

- Donor prior approval thresholds: are they mapped against our procurement plan at the start of the year?
- PPRA no-objection: are applications being submitted with sufficient lead time?
- Board/Tender Committee scheduling: are regular meetings in the calendar with sufficient frequency?

Finding:	
Root cause:	
Action required:	
Owner / Deadline:	

Administrative and Capacity

Diagnostic question: What administrative and staffing gaps are driving procurement failures?

- Staffing: are all procurement positions filled, or is there a vacancy that needs to be addressed?
- Training: do procurement staff have the competency to operate e-GP, IFMIS, and run compliant processes?
- Documentation: are filing systems adequate, and are all required documents being created at each step?

Finding:	
Root cause:	
Action required:	
Owner / Deadline:	

Completed the diagnostic — need help clearing the

We apply this same diagnostic to your live procurement pipeline,

categorise every blocked transaction, and clear them systematically.

WHAT WE DO

- Rapid pipeline diagnostic — usually 3–5 days
- Category-by-category clearance plan
- Hands-on procurement acceleration support
- Progress dashboard updated weekly until target reached

WHO IT IS FOR

- Counties with development absorption below 50%
- NGOs with Q3/Q4 expenditure pressure
- DFI disbursement officers with stalled portfolios
- Any entity facing budget expiry with unspent funds

HOW IT WORKS

- You share your procurement pipeline data
- We categorise every transaction by cause and se
- Fixed-fee engagement with milestone reporting
- Target absorption rate defined and tracked to deli

Describe Your Absorption Problem

ustadiafrica.com/contact

Email
info@ustadiafrica.com

WhatsApp
+254 704 299 773

Web
ustadiafrica.com

Location
Nairobi, Kenya