The present study assessed the role of institutional factors on project implementation outcomes in the case of Arusha City Council (ACC). The motivation for doing this research stemmed from the ongoing difficulty in effectively executing projects in developing countries, Nthich has resulted in inadequate project outcomes, delays, and excessive expenditures. The study utilised a descriptive survey approach, incorporating both quantitative and qualitative research methods. The study used a population of 249 individuals employed in the field of ACC, with a subset of 152 participants chosen as the sample size. The data-gathering process employed both basic random and purposeful sampling techniques. Employees were provided with questionnaires, while interviews were conducted with project managers, HR, finance, and procurement departments. To ascertain the validity of the research instruments, a panel of specialists from the institution conducted a comprehensive evaluation of the tools, assessing their appropriateness, lucidity, and usefulness. The analysis was done using the statistical software SPSS. Descriptive statistics, including percentages and frequency, were utilised and presented in a tabular style. The researchers employed binary logistic regression to assess the extent to which institutional issues influenced the implementation of public projects. The findings provide insight on the influence of institutional factors on the implementation of projects by the ACC, including regulatory frameworks, organisational culture, leadership practices, stakeholder engagement, capacity building, collaboration with external entities, monitoring and evaluation systems, resource allocation mechanisms, procurement processes, and decision-making processes. Also, the study indicated challenges such as insufficient funds, weak leadership skills and institutional capacity in project management, and institutional policy complications as obstacles. The report proposes strategies to improve project implementation, including refining regulatory frameworks and policies to establish explicit guidelines for project implementation, cultivating partnerships with both public and private entities to leverage expertise and resources, actively involving stakeholders and enhancing communication to enhance project outcomes, fostering an organisational culture and values that prioritise excellence and accountability, and implementing robust monitoring and evaluation systems to consistently evaluate project effectiveness.