CONSTITUENCY DEVELOPMENT FUND

TRANSPARENCY IN GRASS ROOT DEVELOPMENT OR POLITICAL PATRONAGE

WELCOME TO KAZOMBA CLINIC

EFZ

tearfund

Micah Challenge
TRANSPARENCY IN GRASS ROOT DEVELOPMENT OR POLITICAL PATRONAGE

Constituency Development Fund (CDF)
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<td>ADC</td>
<td>Area Development Committee</td>
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<tr>
<td>CBO</td>
<td>Community Based Organisation</td>
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<td>CDC</td>
<td>Constituency Development Committee</td>
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<td>CDF</td>
<td>Constituency Development Fund</td>
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<td>CPA</td>
<td>Commonwealth Parliamentary Association</td>
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<tr>
<td>CSO</td>
<td>Civil Society Organisation</td>
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<tr>
<td>DACF</td>
<td>District Assemblies Common Fund</td>
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<td>DDCC</td>
<td>District Development Coordinating Committee</td>
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<td>EAZ</td>
<td>Economic Association of Zambia</td>
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<td>EFZ</td>
<td>Evangelical Fellowship of Zambia</td>
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<td>FGD</td>
<td>Focus Group Discussion</td>
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<td>GRZ</td>
<td>Government of the Republic of Zambia</td>
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<td>MCZ</td>
<td>Micah Challenge Zambia</td>
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<td>MP</td>
<td>Member of Parliament</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<td>RCDF</td>
<td>Rural Constituency Development Fund</td>
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<tr>
<td>RDC</td>
<td>Resident Development Committee</td>
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<td>WDC</td>
<td>Ward Development Committee</td>
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The government of Zambia has been providing the Constituency Development Fund as one of the tools for poverty reduction. The philosophy behind CDF is to have a fund in which communities can participate in different processes of project identification and selection. The ultimate goal is to use CDF to speed up development at community level by providing the much needed infrastructure such as roads, markets, schools and clinics etc.

As a Christian umbrella organisation, we are concerned that communities are not benefiting much from CDF. In most cases politicians have dominated the whole process and the guidelines are not followed. The poor are left out of the CDF processes and as a result projects are imposed on communities instead of being a participatory process. If CDF has to benefit communities this has to change.

We believe that God has revealed himself as the God of love and justice. Righteousness and justice are the foundation of your throne; love and faithfulness go before you (Ps 89:14). Herein forms our involvement in the Constituency Development Fund as we would like to see love and justice become part of Zambia’s socio-economic development. We believe that the poor have the right to participate in matters that affect that.

We have observed that CDF is a very important tool for delivering the much needed development at grassroots level. In our research we wanted to understand how transparent the system is and how people participate.

We would like to see the Constituency Development Fund continue but with change in the way that it’s currently being administered. Our desire is to see the administration of CDF undergoing a review in order to make it more transparent and participatory. We would like to see communities participating more and claiming their space in CDF processes.

Pukuta N. Mwanza  B.Min.sc., MA (RSD), MA (Org.L), Rev  
EXECUTIVE DIRECTOR
This report has been prepared by Martin Kapenda with the support of Mr Lottie Sinyangwe of the Evangelical Fellowship of Zambia and Mrs Melissa Lawson from Tearfund, based in the UK. We also wish to thank communities and other informants in the following constituencies; Kalomo Central, Choma Central, Kafue, Kabwata, Nyimba, Petauke Central, Solwezi East, Solwezi Central, Mpongwe and Roan.

The field research was jointly funded by Tearfund and the Evangelical Fellowship of Zambia.
EXECUTIVE SUMMARY

Constituency Development Funds (CDFs) are present in 23 countries worldwide. CDF schemes allocate funds from the central government to each constituency for use on development projects intended to address local needs. A defining feature of CDF initiatives is that individual legislators have great influence over how the funds are spent in their constituencies.

This study has revealed that in Zambia there are numerous challenges with CDF processes. These include insufficient transparency throughout the process, lack of community participation and undue political influence from elected representatives. These issues have led to cases of poor, incomplete or inappropriate projects, political clientelism, and in some cases allegations of the misuse of funds.

In 88 percent of projects sampled, community members raised concerns about some inappropriate projects, the misuse of funds or insufficient adherence to CDF Guidelines. Nine percent of the completed projects were left lying idle.

In Zambia, the discussions on decentralisation as part of the Constitution making process make the finding of this research even more pertinent. As the only decentralised development fund in the country in which communities participate in its utilization, the principles and lessons learned from the CDF process must be taken on board within discussions on decentralisation. Furthermore, there is urgent need for the revision of the Zambian CDF guidelines. The status quo cannot continue if there is to be effective use of public funds and for poverty to be tackled. The very lack of CDF Act of Parliament further opens up serious problems on the regulation of the CDFs to constituencies.

Zambia has been implementing CDF programs since Parliamentary approval in 1995. Each subsequent year, the amount of CDF allocation was increased from the previous year. In 2012 the central government approved an allocation of K 1 Million (US $200,000) per constituency.

CDFs have a positive role to play especially in marginalised communities. As a decentralised fund, it's able to by-pass inefficient government structures and delivers the much needed development at grass roots level. Therefore CDFs need to continue, although some form of restructuring needs to take place.

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1. Countries include: Bhutan, Ghana, Honduras, India, Jamaica, Kenya, Liberia, Malawi, Malaysia, Mongolia, Namibia, Nepal, Nigeria, Pakistan, Papua New Guinea, Philippines, Rwanda, Solomon Island, South Sudan, Tanzania, Uganda, Zambia and Zimbabwe.

INTRODUCTION

1. INTRODUCTION

1.1 Overview of report

Constituency Development Funds (CDFs) are decentralisation initiatives for the devolution of resources. “Constituency development fund is the generic name for a policy tool that dedicates public money to benefit specific political subdivisions through allocations and/or spending decisions influenced by their representatives in the national parliament.” CDFs send funds from the central government to each constituency for expenditure on development projects intended to address local needs. Although CDFs operate differently in each context, a defining feature is that individual legislators have great influence over how the funds are spent in their constituency.

Blessings Chinsinga writing within the Malawian context helps us to understand one of the main reasons for the creation of CDFs when he notes that they help to ensure equitable spread of development across the country. This is done by eliminating biases by the central government and ruling party MPs who tend to concentrate the development cake in areas considered as their strongholds for strategic political reasons. Another argument in favour of CDFs is that “they skirt bureaucratic hassles which weaken the efficiency and effectiveness of the government development programs.” Central to CDF is the need to target the empowerment of local communities by providing a funding which facilitates grassroots development initiatives. However, a critical appraisal of CDF operations shows that they to show opposite departure from the original intentions.

This research was conducted by the Evangelical Fellowship of Zambia (EFZ) and Micah Challenge Zambia (MCZ), with the support of TearfundUK, between October and December 2012. The research studied how transparency and participation in the use of the Constituency Development Fund in Zambia impacted upon service delivery. The intention was to see what aspects of the CDF process hindered or contributed to improved service delivery and how CDF processes can be strengthened going forward.

This study therefore looks at the following areas:
* The benefits of CDF
* Transparency in CDF processes
* Participation in CDF processes
* Other challenges with the CDF

The report concludes with several recommendations on how CDF processes can be improved and strengthened, in order that there is improved service delivery, more effective use of public funds and for poverty to be tackled. It further makes recommendations on how this learning can also be applied in the context of decentralisation in Zambia.

There are a range of different aspects included under the terms ‘transparency’ and ‘participation’. For the purpose of this research, transparency can be defined as the timely, accessible and reliable disclosure of information, available to all stakeholders. Participation is regarded as the platform and space for non-state actors with decision making powers and to engage in community matters.

1.2 Background to Research

The research project focused primarily on community participation and transparency in the implementation of CDF projects was conducted between October and December 2012. The research involved a literature review, semistructured interviews with key stakeholders (e.g. NGOs, academics and Council staff) and primary research carried out in 11 constituencies in six provinces of Zambia.

A total of six provinces were sampled to represent constituencies headed by both the ruling and opposition members of parliament (MPs). The sample also considered those constituencies under the leadership of both male and female MPs. Furthermore the constituencies were chosen to ensure that both urban as well as rural constituencies.

Eleven Focus Group Discussions were held in each of the following constituencies: Kalomo, Choma Central, Solwezi East, Solwezi Central, Nyimba, Petauke, Roan, Mpongwe, Serenje Central, Kabwata and Kafue. Respondents were selected randomly from each of the 11 constituencies representing the following interests groups: the youth, women, church, schools, people living with disabilities, political parties, councillors who are members of the CDF committee, councillors who are not members of the CDF committee, chief’s representatives (in the case of rural constituencies), staff from Parliamentary offices and council administrators.

6. For further information on different approaches, definitions and terminology see the Annex.
Semi-structured interviews were used with staff in the Constituency offices, Council administrators, councillors, community members CBOs, NGOs and some beneficiaries of the CDFs.

Self-administered questionnaires were also used to get information from community members in the sampled constituencies. Out of the 112 respondents, males were dominant and comprised of 65.2% of the respondents. The composition of the respondents to the self-administered questionnaires was restricted to indigenous community members in the respective constituencies. The majority of these represented Community Based Organizations (CBOs) working with marginalized people, people with disabilities, youths, women etc. Other respondents were members of CDF committee, Ward councillors, members of political parties, school teachers, church leaders and other community members.

In addition, the researchers visited CDF projects in each constituency to investigate the progress and delivery of the CDF project. In total 33 CDF projects were visited across Zambia.

7. Out of the 112 respondents, males were dominant and comprised of 73 (65.2 percent) of the respondents compared to 35 (31.2 percent) Females. However, 4 (3.6 percent) of the respondents did not specify their sex. Males were more willing to participate in the research than their female counterparts. It was hence not surprising to learn that only about 31 percent of the female compared to 65 percent had participated in identification of projects in their communities.
2. CDFs in Zambia

In Zambia, the Constituency Development Fund (CDF) was approved by Parliament in 1995 as an initiative to combat poverty and promote equitable growth and development around the country. At present, it is the only decentralised fund that flows outside of government structures and calls for the participation of communities in its implementation. According to the Guidelines on the Management and Utilization of the Constituency Development Fund the purpose of this fund is “to finance micro community projects for poverty reduction”.

CDF funds per constituency from 2006 to 2013 (1 US Dollar=ZR 5)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount in Zambian Kwacha</th>
<th>Approximate amount in US$</th>
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<tr>
<td>2006</td>
<td>K60,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>2007</td>
<td>K60,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>2008</td>
<td>K400,000</td>
<td>$80,000</td>
</tr>
<tr>
<td>2009</td>
<td>K600,000</td>
<td>$120,000</td>
</tr>
<tr>
<td>2010</td>
<td>K666,000</td>
<td>$133,200</td>
</tr>
<tr>
<td>2011</td>
<td>K720,000</td>
<td>$144,000</td>
</tr>
<tr>
<td>2012</td>
<td>K1,000,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>2013</td>
<td>K1,300,000</td>
<td>$260,000</td>
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</table>

According to the Guidelines, each local Council as custodians of the CDF at district level is required to allocate funds from their budget for CDF projects. Each constituency has a Constituency Development Committee (CDC) which receives CDF project proposals from community based groups. The Constituency Development Committee comprises nine members which includes the area Member of Parliament (MP), two councillors and four community members identified by the area MP. There is one chief’s representative nominated by all the chiefs in the Constituency and one Director of Works/Engineering. To encourage transparency, the MP and the Councillors are not eligible to be Chairperson or Secretary of the Committee. The CDC recommends appraised projects to the Council for adoption. Each constituency receives the same amount of money. In the 2012 National Budget this amount was K 1,000,000 (equivalent to US $200,000) per constituency.

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8. These funds come from Central Government to the local council to be given to respective constituencies in each district
10. In the 2013 budget this amount has been increased to K1.3 Million (US $260,000 per constituency).
Figure 1: Current CDF Process in Zambia

1. Ministry of Local Government and Housing send $200,000 USD to Constituency
2. District Council receives constituency funds for local development
3. MP & CDF Committee decide how funds are distributed
4. Local Council organise procurement for project to be implemented
5. Project Implementation Monitored

CDF applications from the local community

- CDF Committee = 9 members: 1 MP, 2 Councillors, 1 Chief Representative, 1 Council Officer, 4 Community (selected by MP)
3.0 LITERATURE REVIEW

3.1 What CDFs do and how they operate

There is no uniform implementation of CDFs across the globe. One thing they have in common is that they “represent a form of distributive politics and policy making” and have a number of issues – such as being politically driven initiatives and the variation of distribution and implementation of CDFs across the state.\(^\text{11}\) It goes by different names in different countries in the 23 countries where it is implemented. In Zambia, Kenya, Uganda, Tanzania and most countries, it is commonly known as Constituency Development Fund, while in Papua New Guinea it is called Electoral Development Funds and in Solomon Islands it is known as Rural Constituency Development Fund (RCDF). The authorities in Ghana call it District Assemblies Common Fund (DACF).

Regulation

There is a wide range of regulations which govern CDFs in different countries. In places like Zambia\(^\text{12}\) and Kenya, projects which can be funded are defined in the law or policy documents. But in countries like Malaysia and Sudan there are no restrictions on projects to be funded.\(^\text{13}\)

The degree to which these funds are controlled by parliamentarians and the degree to which local citizens participate in them depend on individual country’s CDF policy frameworks. The most salient feature of governance decision making on CDF expenditure is that, in most countries, MPs have substantial control over the distribution and application of centrally allocated funds which is at variance with their primary law making and oversight roles.\(^\text{14}\)

In Uganda there is no comprehensive law governing the management of the CDF except for simply guidelines which empower the area MP to establish a five member committee which he or she has to serve as chairperson.\(^\text{15}\)

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\(^\text{12}\) Ministry of Local Government and Housing ND. Revised Guidelines on the Management and Utilization of the Constituency Development Fund (CDF)


\(^\text{14}\) Caritas Zambia 2011: Constituency development Fund: Allocation, Disbursement and utilization

\(^\text{15}\) Economic Association of Zambia 2010. The impact of the Constituency Development Fund in Zambia
Identification and selection of projects

The identification of projects is central to the success of CDFs. The responsibility to identify possible projects lies with many players depending on the context. In Zambia this is the responsibility of community members through organs like the Area Development Committee (ADCs), Resident Development Committees (RDCs) and other representatives of community stakeholders.\textsuperscript{16}

In some countries, as long as some basic guidelines are followed, the choice of projects is entirely at the discretion of individual legislators (India); in others, committees constituted by legislators make the decisions (Kenya and Uganda). There are also hybrid systems in which the composition of CDF committees is prescribed by law but the legislator chairs his or her constituency’s committee (Tanzania).\textsuperscript{17}

Management of CDF projects

In Zambia, CDF projects are managed by the Council (Local Authority), who administer the channelling and utilization of the funds. Ideally CDFs allow central government to by-pass administrative red tape and deliver development direct to communities. CDF project implementation is then administered with the involvement or participation of various stakeholders at community level.

In Kenya, CDFs are controlled by the CDF Board and in Uganda CDF is controlled by 5 person committee set up by parliamentarians. For Bhutan, the provincial government asks for funds which are released to individual constituencies by the Minister of Finance. The approval is done by parliament. In Malawi the area MP is empowered to manage the fund as he or she sees fit although this is done within the framework of some guidelines.\textsuperscript{18}

The Management of CDF in most countries has been far from being satisfactory, for example in Kenya the following concerns have been raised:

The experience with our CDF, the most innovative idea in the Kibaki administration has been disheartening to say the least. However, when you come to think of it, the main reason why MPs overwhelmingly supported its bill in parliament way back in 2003 was not because they loved their constituents more and hated themselves less. It was sheer selfishness and self-preservation that made them

\textsuperscript{16} Ministry of Local Government and Housing ND. Revised Guidelines on the Management and Utilization of the Constituency Development Fund (CDF)
\textsuperscript{17} Murray, Christina 2011. Constituency Development Funds: Are they constitutional? Budget Brief, IBP 2001:12
\textsuperscript{18} Government of Malawi (GoM) (2006) Guidelines for the Constituency Development Fund (CDF): Lilongwe, Malawi
support the bill. They supported it because they dreaded another five years of endless harambees for endless development projects in their constituencies as they falsely promised their electorate. Harambees had become sitting MPs' endless nightmare. It made and unmade them every five years as the culture of wealth, greed and graft took its toll on Kenya. So the idea of having the government directly fund development projects in every constituency to the tune of Ks 20 million a year with the sitting MP as the overall boss of the fund was music to their ears. The motion sailed in parliament with lightning speed.\textsuperscript{19}

**Allocation and Disbursement of Funds**

There is no uniform approach on the allocation of CDFs. In most cases these funds are normally disbursed within national budget processes and parliaments are expected to provide some kind of oversight.

In India, Pakistan, Zambia, Malawi, Uganda and Southern Sudan, equal amounts are allocated to each constituency. While in Kenya and Tanzania a more progressive allocation structure that includes an equity and redistribution objectives that favour poorer areas in the overall system for distribution is used.\textsuperscript{20}

**What accountability measures are in place?**

According to the Zambian Local Government Act, the auditing of CDF is carried out regularly by the Local Government Auditors of the Ministry of Local Government and Housing.\textsuperscript{21}

In most countries, CDF spending is usually subject to the regular national auditing processes. Audit reports may be reviewed by the legislature, and in some cases the CDF law requires that information about projects and their implementation be made publicly available. In countries with access to information legislation there is generally greater transparency and, therefore, greater accountability for the use of CDF money.\textsuperscript{22}


\textsuperscript{20} Caritas Zambia 2011: Constituency development Fund: Allocation, Disbursement and utilization

\textsuperscript{21} Ministry of Local Government and Housing ND. Revised Guidelines on the Management and Utilization of the Constituency Development Fund (CDF)

\textsuperscript{22} Murray, Christina 2011. Constituency Development Funds: Are they constitutional? Budget Brief, IBP 2001:12

\textsuperscript{23} \url{http://voices.yahoo.com/the-god-sent-cdf-constituency-development-funds-in-127413.html}
3.2 What are the benefits of CDFs?

Despite the challenges outlined by different authors there is also a positive side associated with CDFs. An article entitled the “God Sent CDF (Constituency Development Fund) in Kenya” portrays a positive picture of CDFs. The writer that notes from the time of the inception of CDF in Kenya a lot of people have rippled its benefits. In his own words “the impact of these funds has been magical”. Three areas impacted by CDF have been noted; first, it has helped individually owned enterprises as they are able to access short term loans. Second, the amount of educated citizens is increasing due to schools being built and finally there is better health delivery as dispensaries and hospitals have improved in service delivery.

Most Parliamentarians also have a positive view of CDFs and argue for their continued involvement in its administration.

CDFs can only benefit communities when they are centred on transparency, participation and accountability. Alan Folscher notes “transparency is a characteristic of governments, companies, organisations and individuals that are open in the clear disclosure of information, rules, plans, processes and actions”. He goes on to explain that those who aspire to be transparent “have a duty to act visibly, predictably and understandably to promote participation and accountability”.

To build a case for good participation, Folscher explains that citizen participation can be expressed in two ways, as either consultative participation or empowered participation. Participation is incomplete without accountability from state actors. Policy makers need to be held responsible for their actions. In the words of Folscher accountability can be said to be an institutionalised relationship between different actors.

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3.3 What are the challenges of CDFs?

Analysis of the literature indicates major challenges with CDFs in a variety of countries. In Zambia a Parliamentary report on the utilization of CDFs by the councils presented to the National Assembly portrays a picture of a poorly administered fund. The report highlights that CDF tends to provide grounds for corruption – particularly in the area of procurement of services. It has noted that Councils who are managers of CDFs on behalf of communities seem to be less transparent on the way they administer these resources.

In Zambia, two major studies have looked at CDFs: the first one was conducted by Caritas Zambia and the more recent research was conducted by the Economic Association of Zambia (EAZ). Both of these reports highlight concerns with CDF processes. The Caritas report notes that community knowledge of the CDF is considerably unsatisfactory which has an implication on community participation. The EAZ report laments that CDF projects are wrongly associated with the personal funding from the area MP and this leads to politicization of CDFs. Consequently, MPs and other politicians dominate the decision making process.

In Kenya Ongoya ZE and Lumallas Ehave also noted that there are inherent defects within the Constituency Development Funds Act which consequently

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26. Folscher is quick to advise that just making information available in the public domain is not enough to achieve transparency. Raw information in the public domain might just end up breeding opacity rather than transparency. For him well managed information needs to be relevant and accessible, and timely and accurate.

27. Folscher 41:2010

28. Consultative participation happens when government provides citizens with opportunities to be heard.

29. empowered participation provides adequate space for citizens with decision making power and influence

30. Folscher 41:2010

31. Folscher argues that it is useful to think of an accountability relationship as having four sequential stages:

   * Standard Setting: setting out the behaviour of the accountee and thus the criteria which they might be validly assessed;
   * Investigation: exploring whether or not accountees have met the standards expected of them;
   * Answerability: a process in which the accountees are required to defend their actions, respond to questions and generally explain themselves. This applies both to negatives as well as to positive feedback;
   * Sanction: a process in which accountees are in some way punished for failing below the standards expected of them, or rewarding them for achieving or exceeding them.


33. The Audit report cites examples of the misuse of CDF funds, such as:

   - Councils have expenditures under CDF which were not authorized or approved by relevant authorities
   - In some instances CDF funds have been used by councils to meet their own local expenses like staff allowances;
   - CDF contracts have been awarded by councils to contractors for the supply of materials and services contrary to CDF Guidelines
   - Some of the councils have engaged contractors without signing a Contract Agreement, making it difficult to ascertain the contractual terms of the project
   - Some of the contractors have been paid in full before completion of the project. This is contrary to the CDF guidelines which states that a -particular amount to be withheld as retention fee.
   - CDF money given to some Councillors to procure materials which were never delivered to the project cites instead of the council paying suppliers directly.
   - There is poor monitoring of the administration of CDF at community level
   - In some of the councils there were no records of minutes of proceedings and lists of approved projects.
   - Most of the Councils did not consider monitoring reports in order to take corrective measures on project implementation


affects its implementation. In spite of CDF being governed by the CDF Act of 2003 and the CDF Amendment Act of 2007 it does not seem to have the desired impact due to interferences by MPs and Politicians. “This is because they enact CDF legislation, they appoint the CDFC members, and in some instances an MP may unduly influence his or her ‘allies’ on the CDFC and make all the critical decisions to be rubber stamped by other CDFC members”.

In most of the countries one of the vexing challenges of CDFs is the failure to adhere to the separation of powers. This has led to the issue of poor accountability on public resources by politicians. “They infringe upon the doctrine of separation of powers” and, they fail to “adhere to other important constitutional principles that are essential for maintaining democracy and good governance, specifically the rule of law and the need for public officials to avoid conflict of interest”. This challenge of failure to adhere to the principle of powers is also noted by Albert Van Zyl.

In most countries CDFs in their present format “contribute to clientelism” and are just “another form of African corruption”. Reports of corruption abound in most countries where CDFs operate. MPs run CDFs as if they are personal funds and in most cases abuse them to win political favours from constituents’. CDFs “corrupt the relationship between MPs and their constituents and between Parliament and the executive” and “could contribute to shifting relationship between MPs and their constituents from its proper democratic basis to a financial basis.”

Looking at some of the challenges facing CDFs, the Cleaner Newspaper of Jamaica dated June 10, 2010 carries a screaming headline “Scrap the Constituency Development Fund”. The arguments for this are twofold:
* It’s not the job of the MP to provide finances to their constituencies
* When the role of providing development at community level is usurped by the MP it is bound to have a corrupting influence on the system.

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37. The short falls of the Act are:
   * It does not respect constitutional ideals relating to devolution
   * It has no specific development agenda hence it stands out as a political unit
   * It lacks proper governance and accountability systems
   * It grossly reneged on the traditional and noble principle of separation of powers by allowing sitting MPs to become members of the constituency Development Committee.
40. Murray Christina 1:2011
43. Principles and Guidelines for Constituency development Funds: Adopted at the CPA Sunny Workshop on Constituency Development Funds, June 9, 2011

Published by: Tearfund, Micah Challenge
The Policy Forum\textsuperscript{45} in Tanzania has also been against the introduction of CDFs in their country. They have analysed CDFs in East Africa (Kenya and Uganda) and concluded that it’s not good for Tanzania. Their contention is that CDF is unlikely to bring about substantial developmental gain to the citizens compared to other decentralised funds.

### 3.4 Best practices in CDFs

*Having a legislative and regulatory framework which promotes common good*

There is need to account for good practices being exercised by various key actors and particularly MPs in order to strengthen the argument for the continuation of CDFs. In most countries CDF schemes send funds from the central government to each constituency for expenditure on development projects intended to address local needs. A defining feature of CDF initiatives is that individual legislators have some sort of influence over how the funds are spent in their constituencies. Therefore one of the biggest challenges is that MPs are afforded too many powers in the CDF governance structure even when most of them have no understanding of community development.\textsuperscript{46}

One of the best practices of CDFs is to have a very clear legislative and regulatory framework which allows for transparency and community participation in CDF processes. This approach protects public funds by preventing corrupt practices, poor financial management and funding of ghost projects.

There have been calls for developing clear guidelines on administering CDFs.\textsuperscript{47} The Commonwealth Parliamentary Association (CPA) has proposed some principles and guidelines for MPs to follow when running CDFs. They note that appropriating national funding for MP influenced, locally determined constituency level development is a legitimate mechanism of development. MPs need to take corrective steps to eliminate opportunities for corruption and be part of comprehensive development efforts. This highlights the importance of transparent project selection, and implementation in a manner that enables citizens to work together for the development of their constituency, demand accountability and maintain regular oversight.

Kimani, Nakesa and Ndunguin\textsuperscript{48} Kenya and the International Budget Partnership\textsuperscript{49} have also proposed some helpful best practices in running CDFs.\textsuperscript{50}

\textsuperscript{44} http://jamaica-gleaner.com/gleaner/20100620/focus/focus3.html
\textsuperscript{45} Policy Forum nd. Constituency Development Fund in Tanzania: The Right Solution?
\textsuperscript{46} Policy Forum nd. Constituency Development Fund in Tanzania: The Right Solution?
The international Budget proposal is two fold; The existence of a legislative and regulatory framework which promotes and protects public participation, provides for another body other than parliament to manage CDF, establish funding flows ensure a CDF committee which represents all community stakeholders and make public CDF information. They also suggest an allocation formula which prioritises poorer communities.

CDF best practices include empowering local administration and professional experts to supply their own contextual knowledge to solve local development problems. The CPA also proposes MPs to foster public learning through monitoring and evaluation about CDFs to avoid making mistakes.51

**Prioritising poorer communities**

CDF is a good idea, but we have to make it work if the poor are to benefit. Poverty reduction is central to most CDF processes. The Zambian CDF guidelines clearly state that this fund was introduced “to finance micro community projects for poverty reduction”. The Kenyan CDF Act also states that it is meant to fight poverty.53 To be able to benefit poorer communities CDFs need to be driven by principles which contribute to good locally based development.


- Best practices in CDF proposed by KImani F, Nakesa P & Ndungu
- Ability by CDC to mobilise some resources from communities for CDF projects
- Deliberate measures for gender equity
- Deliberate measures to enhance participation of marginalised and vulnerable groups in CDF processes and activities
- Strategic interventions/projects to target marginalised and vulnerable groups in the society
- Deliberate measures to enhance awareness of CDF among local communities
- Disclosure of financial status to the members of the public
- Transparent tendering procedures
- Participation and involvement of communities in identification and prioritization of CDF projects
- Promoting accountability for CDF funds
- Inclusivity in composition of CDF committee
- Democratic selection of CDF members
4.0 Field Research Findings

4.1 Benefits of CDF

From the time of its inception in Zambia, there have been a significant number of CDF projects which have had a positive impact at community level. Schools, clinics, Police Posts, bridges and other projects have been implemented to the delight of citizens. In an indirect way, CDF has made a dent on the poverty situation. The poor have been enabled to access quality health services, attend schools and better roads to take their farming produces to the nearest market. In a way, if well implemented CDFs improve the quality of life for the poor. Most of these projects could not have been implemented in the absence of CDFs.
4.2 Positive perception of CDF at community level

In most constituencies sampled, community members attested to some positive benefits from CDF projects – 62.5% of interviewees stated that the CDF contributed to poverty reduction. Furthermore, the majority of citizens sampled also highlighted that CDF intervention led to the desired change.

4.3 CDFs are useful mechanisms to ensure spread of development

The Focus Group Discussions highlighted that both community members and politicians thought that CDFs were useful mechanisms to ensure an equitable spread of development across the country, by helping to eliminate biases by the
central government which could potentially concentrate the 'development cake' in areas considered as their strongholds for political reasons. Participants commented that projects were undertaken in some marginalized communities which in normal circumstances would have been unlikely.

The positive perception of CDF was interesting to note, particularly as a large percentage (49.1%) also thought that MPs 'changed their behaviour in relation to CDFs'. One explanation for this could be that respondents appear to see CDF as contributing to poverty alleviation, as CDFs are one of the few witness of 'visible' development funds in their local area.

The findings of this research therefore indicates that citizens support decentralisation mechanisms that facilitate government funds being spread more equitably across the provinces. This citizen support should therefore be considered during discussions on decentralisation as part of the Constitution making processes.

4.4 Transparency and participation in CDF processes brings benefits

In constituencies where transparency and participation were key parts of the CDF process, the field research found there to be better use of funds with good value for money at the community level. The best projects were always shaped by active community involvement at various stages of the project. As already explained the man rationale behind CDFs is to have central government release funds which contribute to poverty reduction. It’s meant to empower communities with funds which contribute to the realization of grassroots based development initiatives. Unfortunately, this fund has been undermined by undue political pressure from legislators and other politicians. Without transparency and community participation, CDF easily turns into a political tool or vote buyer.

4.4.1 Expansion of prison clinic in Choma Central Constituency

Prison Clinic in Choma Central Constituency
Choma prison clinic is an example of a project where transparency and community participation were exercised in the CDF process. The small clinic, originally designed for exclusive use by inmates, started to provide services to the local people as the community grew.

The poor service provided at the clinic led the community to hold a public meeting to discuss expanding the clinic, resulting in a project committee being appointed. A local counsellor shared with the committee the purpose and process to apply for CDF which led to a successful CDF application allowing the community to expand the clinic.

The project was also supported by the Ministry of Health who seconded additional staff and helped with procuring building materials. The project is on-going and in the meantime provides additional services including anti-natal screening for 8 nearby communities.

Transparency and community participation were seen throughout this process. In particular:

a) The community participated in the identification of the project and elected the project committee at a public meeting, which was attended by community members, staff at the clinic and Choma Prison including the counsellor.

b) When the project was approved the CDF committee published its reasoning for funding the project through the use of community notice boards and the community radio station.

c) The counsellor and the project committee also published progress reports on the project and post this information at churches, schools, markets and other public places.

d) Community involvement in the implementation - community members contributed materials such as sand and stones for the building project. The other contribution was in form of labour.

e) The procurement of materials has been very transparent. There is collaboration between the project committee, the counsellor, staff at the clinic and local authority officials. All materials are procured as per the approved Bill of Quantities and there is a log book kept at the clinic which shows all materials procured and utilised. Community members are free to check this log book.

f) Regular meetings were held with community members to appraise the project progress and in this way they are able to be involved in the monitoring of the project implementation.

The project was effective in a variety of ways – much of which can be attributed to the high levels of transparency and participation in the process. For example:

* The researchers were told by the staff at the clinic that the community had positive perceptions about the expansion of the clinic and use of CDF funds.
the community contributed materials and time, keeping the cost of the project to a minimum and helping to ensure community support for the project in the long term

* the project was supported by, and interlinked with, other Government plans (e.g. Ministry of Health) and therefore sustainably managed in the long term

* there were no allegations of missing funds

* the clinic continues to be well used by the local community

### 4.3.2 Upgrade of Section 25 Clinic into a MiniHospital

The Luanshya mine has gone through a spiral of privatisation and government takeovers and re-privatisations. The various mine owners have not taken up the responsibility of running health facilities and other social amenities which were previously provided by the government when they had run the mine.

This increased poverty levels in the community and when people fell sick they could not afford to go to the nearest hospital due to high transport costs.

The MP and the local community had several meetings to find a solution to the health challenges facing the community. After several consultations it was agreed to turn section 25 Clinic into a mini hospital. A project committee was put into place to explore possible avenues for raising finances for this project. In one of the meetings it was agreed to apply for CDF and the local counsellor in conjunction with the area MP provided the needed leadership.
The application was successful and the project was given K300,000 (US $60,000) to start the project. Due to high unemployment in the area, the project committee agreed not to engage a contractor to carry out the project but instead decided to hire retired miners with technical skills. This helped to provide employment to qualified community members and CDF had a multiplier effect in the community. It provided the needed income at household level.

The project is on-going and once completed it promises to improve in the health needs of the community. In the meantime, it’s providing employment to the ex-miners who are in need of employment.

Transparency and participation were seen throughout this process and led to the project being more effective in a number of ways. In particular:

* The participation of the community reduced the costs of the project as ex-miners were employed as opposed to engaging a contractor.
* The project is not MP driven but community led through the project committee.
* The project was beneficial to the whole community

4.3.3 Girls Dormitory in Serenje Central Constituency

The Community in Serenje Central was faced with a challenge of long distances to secondary schools. Most of the pupils travel from their villages to camp near schools on weekly basis because the schools do not offer boarding facilities. Over time this led to the following challenges

* Teen pregnancies
* Increasing cases of school girls being sexually abused
* Poor academic performance by the pupils
Meetings were held at the school to find a lasting solution to the predicament of the female pupils and protect them from problems which would hinder them from completing school. The PTA at Ibolelo High School agreed to apply for funds from CDF. They approached the ward councillor who agreed to support the project.

When funds were released for this project the council hired a contractor to undertake this project. With supervision from the Ministry of Education engineers and the Council planning Unit the project progressed well according to schedule. Transparency and participation were seen throughout this process to lead to

- The School PTA committee driving the CDF process
- The community knew about the availability of CDF
- Funds being utilised for the intended purpose
- Updates on the report were given to the community through PTA Meetings

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54. In 23 out of the 33 projects sampled (88%), community members raised concerns over inappropriate projects, the misuse of funds or insufficient adherence to the CDF guidelines.
4.5 Challenges in CDF Processes

Despite the potential benefits offered by CDFs, the research found numerous challenges associated with the administration of the fund. Some of the challenges associated with the projects surveyed are:

* Inadequate information on CDF projects
* Citizens do not know how to participate in CDF processes
* Misuse of funds and people not knowing how to report CDF malpractices
* People do not know how to monitor CDF projects and suppliers of materials
* Inappropriate projects
* Insufficient adherence to CDF Guidelines

4.5.1 Lack of transparency in CDF processes

Transparency in the CDF guidelines – what should be occurring?

The Guidelines on the Management and Utilization of the Constituency Development Fund (CDF) has outlined how transparency is supposed to take place in CDF processes. The following statements have been made to uphold transparency.

* The Council shall be required to account for the funds in accordance with the law.
* The Council shall invite project proposals from the communities during the first quarter of every year by way of advertisements, open meetings and fixing of posters in public places.
* The Council shall inform the Constituency Development Committee when a CDF project is funded.
* The Council shall open special Bank Accounts in the name of each constituency and shall immediately inform development sub district structures and bank such funds on receipt in such accounts.
* All payments shall be in form of checks, which are countersigned by a responsible council staff and the chairperson of the Constituency Development Committee.
* Auditing of CDF shall be done by Auditors from the Ministry of Local Government and Housing.

4.6 What is the reality?

Despite transparency being a key aspect of the CDF guidelines, the research found that these guidelines were not being adhered to and there was insufficient transparency throughout the process. In particular, the research found there to be:

a) **Inadequate information on the CDF at the community level** leading to lack of community participation in the identification, allocation, implementation and monitoring of the CDF. 30% of the respondents had never heard of CDF and only 33.9% claimed to have had the 'opportunity' to read the CDF guidelines. These guidelines were not readily available, only people such as counsellors, local authority staff and CDF committee members have access to the CDF Guidelines.

b) **A lack of transparency in the decision making process.** Community members were unaware of the CDF application process and many CDF committees did not provide citizens with detailed explanations as to why certain projects were funded whilst others were rejected. This prevented citizens from challenging the allocation of the funds, leaving the decision makers unaccountable.

c) **A lack of information on the amounts allocated to approved CDF projects** Communities rarely knew the amount their project had received. Lack of information made it impossible for communities to know the amount of materials that their CDF project would receive.

d) **The procurement of CDF materials conducted by the Council was not transparent** and caused a lot of suspicion among successful CDF applicants. In most constituencies that the researchers visited there was no correlation between the materials requested by the community in the application form (known as the Bill of Quantities) and the materials procured by the local authorities. It was also noted...
that in most cases the local authorities do not procure materials from suppliers shortlisted by applicants

4.7 The impacts of the lack of transparency

The research found that in cases where there was lack of transparency in the CDF processes, that the following challenges were often present:

a) Lack of community ownership over the project. Lack of information on CDF at the community level often resulted in communities not participating in the identification; allocation and implementation of CDF projects

b) Concerns that the CDF was used to benefit those in power. The lack of information on the decision as to why some CDF projects were approved whilst others rejected, prevented citizens from holding the CDF committee to account for its use. This left open the possibility that funds were used to benefit those in power and those on the CDF committee.

Abuse of CDF

In a semi structured interview with one council official we came across the following incident: A woman with close connections to the local councillor had applied for CDF for an income generating project. During field appraisal she brought in other women not connected with the project to support her project. These women claimed that they were members of the purported women’s group which had applied for CDF funds to start an income generating project. Later on during monitoring it was discovered that there was no women club, the woman who received the money had misapplied CDF towards the construction of a personal house. This story points to some challenges facing the administration of CDF. This raises a number of issues: how did an individual manage to get CDF funding when the guidelines state that beneficiaries such as Clubs, Associations and Societies must be registered with the local Council within their Constituency to benefit from the Fund.
a) Negative perceptions of CDF projects by community members

The lack of information seemed to cause many community members to view the CDF as a fund for MPs to use to achieve their political ends. Whilst the majority of respondents still thought that CDF brought developmental benefits to the community, the lack of transparency in the CDF processes undermines this positive perception. When asked to describe CDF a member of one FDG said, “CDF is the money given to the Member of Parliament to appreciate those that voted for him”. Most Members of Parliament and Councillors tend to view CDF as an investment for their political careers. In a semi-structured interview, one Councillor explained “I make use of CDF to make myself known in the wider community and market myself before the next elections”.

b) Allegations of the misuse of funds

Lack of transparency throughout the process was shown to lead to increased allegations by the community of the misuse of funds – as citizens were unable to see where and how the funds were used. The major cause of suspicion emanated from the secrecy surrounding the procurement of materials by most of the councils. The CDF Guidelines state that for specialised works, the Tender Committee at District Level shall use flexible tender system in the invitation of tender offers from eligible contractors/suppliers. In most of the Councils this has been interpreted to refer to all CDF projects and the community is always left in the dark with regard to the procurement process. This has led to numerous accusations of unethical practices by council officers in the procurement of materials and services.

Case Study: siphoning off of Funds during construction of Market shelter

During the field survey researchers came across a case of siphoning CDF funds. In one constituency market leaders quietly applied for a K50, 000 ($10,000 USD) CDF grant to build a market shelter – which was successful but not publicised by the CDF committee. The market leaders then also asked local traders to contribute to the shelter without informing them of the CDF application. However during the research it transpired that the contractor and the newly elected market leaders had suspicions about the use of funds as the materials provided to the shelter were significantly less than the traders’ contributions - let alone the CDF funds. The project remains incomplete and there has been no monitoring report by the council.

When talked to most of the traders had no knowledge of CDF and all they knew was that the incomplete structures at the market were paid for by their weekly contributions. They contributed about US $ 1 each per week towards this project.
Throughout this process there was a lack of transparency creating the potential for the abuse of funds. The market traders were unaware of CDF and were not consulted by the committee when they applied for CDF funding and there was no monitoring of the CDF by the local authorities.

The use of CDF in the above case study is a serious compromise because the whole process lacked transparency and accountability. The causes and consequences of lack of transparency and accountability are:

- The MP and the politically induced Market Committee did not involve the rest of the traders in this project hence creating opportunity for abuse of CDF.
- Failure to publicise the CDF application process prevented the rest of the market traders from participating in the CDF process.
- Denying the rest of the traders opportunity to participate in project identification, application and allocation of funds created opportunity for corruption and misuse of CDF.

e) **Poorer quality projects as the materials procured were not cost-effective or appropriate.** As noted, in most constituencies the local authorities did not use the suppliers or materials suggested in the CDF application and did not provide an explanation for their choice of suppliers. For example, researchers visited a school whose roof had been blown off during a storm and the school PTA had applied for CDF. When materials were delivered to the school the contractor discovered that the materials were of poorer quality and very cheap and not the ones he had indicated in the Bill of Quantities (BOQ).\(^{55}\) The contractor refused to use them and asked the local authorities to supply the right type of roofing sheets. Through the intervention of the area MP the council managed to reorder the right materials.

f) **Incomplete projects.** The failure of some CDF committees to inform applicants of the amount they would receive for their project meant that some CDF projects were left standing idle – as the community were not sure if further funding for the project would come in due course. For example the upgrade of the sports field in one of the Constituencies sampled, researchers discovered that the project had stalled despite receiving funding from CDF and those on the project committee did not actually know how much funds were allocated. Lack of transparency in the administration of CDF is the most likely reason for incomplete projects. Other factors are:

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\(^{55}\) The list of materials required for a project is included in a CDF application and known as the ‘Bill of Quantities’. Alongside the Bill of Quantities communities attach 3 preferred supplier quotes. The Council then provides these materials directly to the project.
In 88 percent of projects sampled, community members raised concerns about some inappropriate projects, the misuse of funds or insufficient adherence to CDF Guidelines. Nine percent of the completed projects were left lying idle.

4.8 What needs to change?

Consequently, CDF processes must be made more transparent and information available at the community level. The CDF guidelines, information and application procedures and timelines all need to be widely publicised. Furthermore, the CDF committee should publish information about the applications received and reasons why applications have been successful or rejected, the amount awarded to each CDF project and when the materials will be delivered, and details of the material suppliers chosen for projects and reasons for their selection. Mechanisms such as community notice boards, public meetings and local radio stations all facilitate this sharing of information.
4.9 Lack of community participation in CDF processes

4.9.1 Community participation in the CDF guidelines - what should happen?

The CDF guidelines have outlined how communities can participate in CDF. These include:

- CDF Project proposals come from grassroots based organizations such as the Area Development Committees (ADCs) and Resident Development Committees (RDCs) or other community stakeholders.
- The Planning Department at the council office in where the constituency is found is charged to commence project implementation.
- The implementation of the projects also involves community participation in form of labor, both skilled and unskilled use locally available materials (stones, sand etc.) as much as possible
- communities are expected to actively participate in the identification of projects
- The beneficiary community are to monitor project implementation.

4.9.2 The reality

The research found that in many cases across Zambia, community participation was not evident – the local communities were not involved in the identification, implementation and monitoring of CDF projects. In particular the research found that:

a) Participation in any aspect of the CDF processes was limited to a small group of people. The research found that information sharing on matters of CDF was highly constrained and limited to selected individuals who were strongly linked to political parties, the district council and other government officers – thus appearing to perpetuate the problem. In some constituencies, the participants stated that the lack of participation is also perpetuated by the failure of councilors and the council staff to sensitize the community on issues relating to CDF.

The research found that lack of information seemed to perpetuate lack of community participation. For example, there was found that those that read the CDF guidelines were more likely to participate in other aspects of the CDF process. This indicates that levels of knowledge
and information on CDF, do impact on levels of participation (see graphs below).

**Reading Guidelines versus participation in CDF project identification**

![Bar chart showing the comparison between reading guidelines and participation in CDF project identification.]

**Reading Guidelines versus participation in Aspects of CDF process.**

![Bar chart showing the comparison between reading guidelines and participation in CDF process.]

**Being consulted on CDF matters versus participation in CDF meetings**

![Bar chart showing the comparison between consultation on CDF matters and participation in CDF meetings.]

**CONSTITUENCY DEVELOPMENT FUND**

Transparency in Grass Root Development Or Political Patronage
a) There is insufficient involvement of communities in the identification of CDF projects. The majority of participants felt they had been disregarded in the identification of projects. Respondents stated that most projects were 'imposed' by the MP or councilors. This was seen to be particularly common in constituencies where fewer functional community structures existed. During field work, the researchers heard from some recipients of CDF that they did not apply for the funds and were only informed by the MP or councilor that funds available for them to use on particular projects. This is contrary to the guidelines which give the initiative to communities to identify and apply for projects.

b) Communities are not involved in the decision making process and are unaware of reasons for the decisions on CDF projects. The composition of the CDF Committee was found not to be representative enough to facilitate community participation. The CDF Committee is made up of the MP, two councillors, members handpicked by the MP and some local authority officials. Though the guidelines state that there shall be four community representatives, this rarely happens as per the communities that we visited. In most cases MPs appointed friends and members of their political parties to the CDF Committee.

In some communities, respondents felt that their opinions had been disregarded – and that projects were the directive of the council or MP. Local authority officers confirmed that in most cases they were dictated to by MPs to fund particular initiatives, mostly in the MPs political strongholds. This usually happens in the council meeting where the approval of appraised and shortlisted projects is done. For example in one constituency, community members claimed that they had wanted their market to be improved but the local MP influenced the CDF committee to build a library. The construction of the library is on-going.

For instance, it was learnt that in many constituencies the councils had imposed the purchase of machinery for road construction at the expense of community initiated projects. This is a total disregard of the CDF Guidelines and a misuse of funds meant for community initiated projects. The councillors, MPs and the Council staff have usurped the role of communities in the identification of community projects and all processes regarding CDF revolve around the trio to the exclusion of communities.

c) There was very little community participation in the monitoring of CDF projects. The district council rarely fulfilled its responsibility to engage the community in monitoring CDF projects. Most council officials interviewed confirmed that it was logistically hard to monitor most CDF projects due to insufficient funds budgeted for monitoring. In 2012 K1 M (US $ 200,000) was released per constituency and only K 20,000 (US $5000) was designated for field appraisal and monitoring of projects. The money meant for monitoring CDF is not
sufficient to do field appraisal for the shortlisted projects for funding and also to monitor the same projects once they are funded. Council officers in Choma, Kalomo, Petauke, Nyimba and Solwezi all complained that they were unable to adequately monitor projects due to inadequate resources. The failure to monitor projects ultimately resulted in poorly implemented CDF projects.

In addition to the above, respondents stated their concern that throughout the CDF process, the council and MP did not provide sufficient opportunities to engage and that decision makers agreed upon the use of CDF funds without consulting with the community. 59% of the respondents claimed to not have been consulted on CDF related matters at community level and only 9% participated in CDF meetings as community members.

**4.9.3 The impacts of lack of community participation**

Whilst challenging to show the direct causal link, the research indicated that lack of community participation in CDF processes led to several possible challenges – all with negative impacts on service delivery and sustainable development. In particular, cases seem to indicate that insufficient participation lead to:

a) **Inappropriate projects and therefore a wasting of public funds.** Lack of community involvement often led to projects being undertaken which the community did not need or want, and therefore did not use.
For example in one of the constituencies sampled, the council with the support of the local councillor decided to build a public toilet at a newly designated market place using CDF. This market was set up for people who used to trade in the streets and now they needed to have a market space cleared for them. When the toilet project was started the community was not involved although the project progressed well. But one day when the building project reached up to window level it was erased to the ground by irate traders. They did not like the idea of building a toilet near the area where they carried out their business. Once again the CDF committee gave more money to this project and it begun all over again. The traders were not consulted again nor did they apply for CDF. This led to lack of satisfaction by the community, no sense of ownership and no guarantee to maintain the project going forward. Where communities felt that projects had been imposed, the research found that they were less likely to take ownership over the project and did not support it going forward. This disconnect therefore meant they were very unlikely to contribute materials and time to the project (in fact the research found that in no circumstance where the community felt the decision had been imposed, did the community contribute time and materials). This further undermines the longevity of the project as communities do not maintain the programme, therefore allowing some to go into disrepair.

a) A lack of motivation to participate in future CDF projects. Respondents noted that insufficient information and opportunities to participate in CDF processes de-motivated them from participating in future CDF projects.

b) Allegations of funds going missing, declining trust and community cohesion. For example during the repairing of market structures in one of the constituencies sampled the project committee was very concerned about the accountability of funds meant for the project. The council officials were not very transparent in the way that they handled the procurement of materials. When the project requested to accompany council officials to purchase materials from the approved suppliers their request was turned down. They were dissatisfied with the value of materials procured as it did not tally with the proposed Bill of Quantities. The project has stalled and the project committee has not been availed with a financial statement to see how
the money was spent. The failure to allow community members participate in the procurement of building materials and monitor the building project led to serious suspicions of misuse of funds by council officers.

4.9.4 What needs to change?

Consequently, communities need to be involved in most aspects of the CDF process in order that the challenges are reduced and there is more effective use of CDF funds. In particular, the CDF guidelines should be revised to ensure increased community participation in identifying and implementing CDF projects. CDF applications should be required to demonstrate prior community involvement, the CDF committee should be more representative of the community and there should be increased funds specifically allocated to community monitoring of CDF projects. Some of the noted challenges are:

4.10 Other challenges with the CDF

In addition to the challenges created by lack of transparency and participation in many CDF projects, the research found that the current CDF process and structure caused a number of other challenges, which need to be addressed in order to bring better use of the fund.

4.10.1 Undue political influence

The current CDF structure breaches the principle of the separation of powers. The involvement of the Members of Parliament breaches the principle of the separation of powers by conferring parts of the executive function to the legislator. This contributes to political clientelism and turns the MP into a manager of government funds instead of representing citizens and in holding the executive accountable.

Another challenge is that currently, the MP can directly 'select' the majority of the CDF committee (i.e. four members), so the committee is not representative of stakeholders in the constituency. During field work less than one per cent of respondents knew of the existence of the CDF committee, which raises questions about accountability. Unsurprisingly, there have been allegations that MPs use the CDF to further their political ambitions and as a 'vote winner'. The majority of the respondents (49.1 percent) indicated that MPs do change their behaviour in the manner they handle CDF to safeguard their parliamentary seat.
Behaviour of MPs on CDF

“CDF is the money given to the Member of Parliament to appreciate those that voted for him”
FGD Discussion 2012

MPs Change behaviour to protect seat

- No
- Yes
- Not sure
Case Study: CDF Project Attributed to a Member of Parliament

Researchers were told that these two projects were identified through a consultative process. As a result of this process about 200 hand pumps have been installed in this community in order to improve people's access to clean water and adequate sanitation.

- CDF projects in this community were visited to inquire on the participation of communities in the identification and implementation of CDF projects. Researchers visited a newly installed hand pump and found tens of women drawing water. Talking to the women found at the hand pump and households near the hand pump they established the following:

- The installed hand pump which catered for over 200 households was greatly appreciated by the community members said that the area Member of Parliament promised this hand pump and several others during the 2011 elections campaigns

- The community denied hearing or attending CDF meetings were this hand pumps were discussed

- Community members had no knowledge of CDF.

4.10.2 Lack of equity – both at constituency level and national level

Currently, at the national level there is no equity in the distribution of CDF funds. Each of the 150 constituencies receives the same amount regardless of their development needs. The primary objective of CDF according to the guidelines is to finance micro community projects for poverty reduction. Since CDF is given out in equal amounts to each constituency it's less aligned with development needs. The rural constituencies are faced with more development challenges compared to the urban ones. Therefore, for equity to be attained in the distribution of CDF, it needs to target the neediest beneficiaries in order to effectively reduce poverty. Therefore, economies of scale will dictate that more resources be given to rural constituencies in order to narrow down the poverty and development gaps between the two communities. Poverty prevalence in rural areas stands at 76%. This implies
that poverty is more prevalently deeper and more severe in rural areas than urban areas.\textsuperscript{56} Therefore, there is need to revise the guidelines so as to distribute CDF based on the poverty levels in the constituency.

At the local level, in a number of constituencies the CDF committee simply shares CDF equally according to the number of wards without looking at the needs on the ground. This explains why a number of completed projects such as Markets and clinics are lying idle and not in use by communities. The practice of sharing CDF’s equally per ward compromises quality of projects funded and most importantly there is no equity.

4.10.3 \textit{Guidelines are insufficient for larger amounts of CDF (start from here)}

The original plan for CDF in Zambia was to fund micro projects, and the initial amount of CDF was only about US $7000. The amounts have now increased to US $ 260,000 (2013 Budget). During the 2011 general elections the opposition UPND promised that if elected they would increase the amounts to K4 million (US $ 800,000) per constituency. The logical inference for the continued increment of CDF is that it’s perceived to be good by politicians. Parliamentarians also regard it to be a vote winner.\textsuperscript{57} Projects funded by CDF have graduated from micro to macro projects such as construction of clinics, schools, markets, roads among other projects, therefore totally moving away from its primary objective. Macro projects are supposed to be a reasonability of Central government and the Council.

4.10.4 \textit{CDF projects do not always link with other Government initiatives and plans}

Some projects were found to not be strategically positioned to utilize the internal resources of that particular community. As such some initiatives of the CDF are not in cohorts or are a mere duplication of other Central Government Ministries. For example the research found a number of clinics built in communities which were lying idle as white elephants because the Ministry of Health was not initially consulted and they have no immediate plans to utilize the facilities.

\textsuperscript{56} http://go.worldbank.org/HTJRS2C080
\textsuperscript{57} In the 2008 presidential elections CDF was released on 7th October three weeks before the poll date. Though CDF is meant to empower local communities by providing needs funds for grass roots based development, it’s a
4.11 What needs to change?

The research shows that the administration and structure of the CDF needs to change in order for the political influence of the MPs to be reduced, the guidelines made more appropriate for larger amounts and for there to be greater coordination and coherence with other Government ministry projects. Fundamentally, CDF changes need to ensure transparency, promote participation of citizens and institute measures to deal with corruption. The specific areas that need to change are:

* **Membership of the Constituency Development Committee**: the Composition of the Committee needs to exclude the Member of Parliament and Counsellor in order to remove the undue political pressure that is currently taking place. Furthermore, it will also encourage the spirit of separation of powers by having MPs concentrate on their legislative roles.

* **Project Identification and Selection**: Since this is a decentralised fund which is aimed at reducing poverty at community level with the involvement of the grassroots, the guidelines need to specifically mention that community members need to be consulted and or involved in project identification and implementation. This will prevent the present incidents of projects being imposed on communities by politicians and later on lying idle.

* **Notification of Applicants**: All applicants need to be informed of the outcome of their application unlike the present arrangement where only successful applicants are notified. This will increase transparency in the administration of the fund by letting people know why their application is not successful.

* **Administrative Costs**: The K20,000 (US $4000) set in the guidelines for administrative costs of administering the CDF auditing, monitoring and evaluation needs to be changed from a specific amount to a percentage of the disbursed amounts. At the moment the amount set aside for administrative costs is not enough to monitor all projects and this leads to poor projects and a waste of resources.

* **Accountability and Transparency**: The CDF guidelines need to provide mechanisms for community members and community based watchdog institutions to hold managers of CDF accountable. Incidents of CDF corruption are common among politicians, council staff, suppliers of services and many others. It's for this reason that the CDF Guidelines should enhance accountability and transparency mechanisms which involve community members.
* Reporting and Monitoring: The CDF Guidelines need to strengthen the aspect of the involvement of the beneficiary community in project monitor. The current practice is that this is the preserve of the council. It needs to be made clear that no monitoring of CDF projects shall take place without the involvement of the beneficiary community. This will increase transparency in the management of CDF projects.

* Modalities and Administration of CDF: The current practice of the council administering the channelling of CDF and having the authority to decide on the utilization of CDF does not provide enough room for checks and balances. In most communities surveyed the procurement of CDF materials by the council has raised numerous suspicions which border on corruption. At the moment the whole process is not transparent and the guidelines need to be revised to provide space for the involvement of both the Council and beneficiary communities in the procurement of materials.

4.12 Decentralization

The desire to change the way CDF is administered needs to be set within the wider context of a well-functioning decentralised system of government. Decentralization in Zambia needs to have a clear road map which goes beyond the Decentralization Policy and Decentralization Implementation Plan 2009 to 2013. A clear implementation of decentralization will impact positively on how CDFs are run. “The most fundamental rationale for decentralization in Zambia lies in its opportunity to bring the government closer to the people by providing the citizens with greater control over the decision making process and allowing their direct participation in public service delivery”. However, it’s important to point out that decentralization in itself is not a magic bullet.

While there is widespread evidence that decentralization fosters democracy, we also have to take into account the fact that, especially in poor, underdeveloped countries with little or no tradition of democratic practice, decentralization may work against democracy. This happens when decentralized government is captured by corrupt non accountable elites.

Besides a well-functioning decentralization policy, we need to couple to this the enactment of a freedom of Access to Information. This will make it easy for community members and other interest groups to demand and access relevant information on CDF.

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59. Brosio 4:2010
MPs dominate the whole process, making CDF to be perceived as a vote buyer for MPs. In short it’s as good as a decision made by one person. One of the reforms needed in the CDF guidelines is to remove politicians (MPs and Counsellors) from the committee and leave community members and staff from the local authorities to administer the fund. This will eliminate political pressure in the funding of projects and also eliminate the inbuilt political bias in the CDF processes. The council should be made the appointing authority of the CDF committee, based on the names of people from the community who have put their names forward for appointment.
5.0 CONCLUSION

This study was done with the assumption that greater transparency and participation in the use of the Constituency Development Fund improves its utilisation – through improving public service delivery and supporting development. This study has shown this hypothesis to be correct in the example of the constituency development fund. From the onset the research showed that lack of transparency and participation undermines sustainable development at both community and national development levels. This is further supported by a number of development specialists are agreed on the need for transparency and accountability in the development discourse.

This study has found concrete examples of good practices in the CDF processes, and bad examples of CDF implementation and has demonstrated that when transparency and participation are key aspects of the CDF process, then there is greater accountability and that the better use of public funds. In particular where transparency and participation are exercised:
- there is more money available as less is siphoned off
- better allocation of money as people have participated in decision-making and determination of projects that meet community needs
- there is local ownership and therefore long-term sustainability and maintenance of the project
- It enhances and supports the social cohesion, trust and relationships between MPs and constituents.

Consequently, participation and transparency should be enhanced throughout the CDF process. Furthermore these principles should be applied to the discussions on decentralisation as part of the Constitution making process, and other efforts across Zambia to strengthen governance and tackle corruption.

We would like also to affirm the continuation of CDF as a tool to deliver development at grass roots level. In the absence of CDF we can't currently see another decentralised fund which is likely to involve communities in its processes. How ever for CDF to be effective it needs to be revised to allow more community participation in its processes. Furthermore, CDF needs to be realigned to contribute to poverty reduction. Some of the projects funded by CDF have nothing to do with poverty reduction.
6.0 RECOMMENDATIONS

6.1 Recommendations for CDF processes:

1. CDF guidelines and processes must be transparent. For example the following should be widely available:
   a) the CDF guidelines – citizens should know what is expected of their applications.
   b) information of the application procedures e.g. timelines, application forms.
   c) details on the applications received and reasons as to why applications are successful or rejected by the CDF committee
   d) amount awarded to each CDF project and the timeline for this financial allocation.
   e) Details of material suppliers chosen for projects and reasons for their selection.

2. Community participation should be a core part of CDF processes. In Zambia, the CDF guidelines should be revised to ensure increased community participation in the identification and implementation of CDF projects. For example:
   a) CDF applications required to demonstrate prior community involvement
   b) There should be increased funds for community monitoring of CDF projects.

3. The political influence of the MPs in the CDF should be reduced. In Zambia, the CDF guidelines should be revised in order that:
   a) Citizens can apply to be members of the CDF committee.
   b) The CDF committee be constituted by excluding the MP from the committee and the committee being appointed by the Council.

4. Enact a CDF Bill to replace the current guidelines following the Kenyan model.
6.2 Recommendations for the Constitution making process

1. Provide for Decentralization of the local government system. This will help to situate CDF in context where it will be well appreciated as a decentralised fund. CDF as part of a decentralized system will help to devolve power and resources to the local level.

2. Enshrine the Freedom of Access to information in the Constitution to make decentralization and its benefits more meaningful to the citizens.

3. Separation of powers among government institutions to be strengthened in order to prevent MPs to assume executive powers to spend the same funds which they approve in Parliament in their capacity as legislators. In the present arrangement CDF breaches the principles of separation of powers by giving executive function to the MP to spend government funds.
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ANNEXE

Literature on Transparency and Participation


ANNEX

Transparency has to do with making information public leaders' actions being made public in order to curtail any forms of misuse of power. The information made available needs to be timely, relevant and also accurate. Therefore, the government and its leaders need to be open in all their dealings in areas such as finances, government structures and functions, management of natural resources and other areas that are in public interest. Transparency helps citizens to accurately assess their government and leaders.

Accountability has to do with holding state actors responsible for their decisions and actions within and outside government. This is based on their promises, policies formulated and what is stated in statutes.

Participation is an engagement method that facilitates collaboration between community members and policy makers in order to provide a platform to discuss and generate policy options. Participation makes it more sustainable for community projects and increases accountability on the side of state actors.
QUESTIONNAIRE FOR COMMUNITY MEMBERS ON CDF

Date:____________________
Constituency:__________________________
Gender:_______________________
Position:__________________________

1. Have you read the CDF guidelines
   YES:___  NO:____

2. Have you participated in any aspect of the CDF process?
   YES:___  NO:____

3. Have you participated in the following activities
   Identification of CDF Projects
   YES:___  NO:____

4. Allocation of CDF Funds
   YES:___  NO:____

5. Disbursement of CDF Funds
   YES:___  NO:____

6. Monitoring of CDF Funds
   YES:___  NO:____

7. As a community member have you participated in CDF meetings?
   YES:___  NO:____

8. As a community member have ever been consulted on CDF related matters?
   YES:___  NO:____

9. Does the CDC committee privilege some areas in the constituency than others?
   YES:___  NO:____

10. Does the CDC committee privilege some businesses or contractors over others?
    YES:___  NO:____

11. Do CDFs substitute for other forms of on-going service delivery and development programs?
    YES:___  NO:____

12. Do CDFS contribute to the reduction of poverty in the constituency?
    YES:___
    NO:____

13. Does the CDF intervention/initiative lead to the desired change?
    YES:___
    NO:____

14. Do MPs change their behaviour on CDF issues when they realise their seat is not safe?
    YES:___
    NO:____
QUESTIONS FOR COUNCIL STAFF ON CDF

1. What CDF information is currently made available to the public?
2. How is the information made available to the public?
3. Do communities know about the availability of CDF funds and how do they need to apply?
4. Is the CDF expenditure made public?
5. How do communities participate in CDF processes?
6. Are communities made aware that they can monitor CDF projects?
7. What are challenges associated with CDF?
8. Do you have examples of good CDF? What went well?
9. Do you have examples bad projects? What went wrong?
10. What Changes need to occur to improve CDF?
FOCUS GROUP DISCUSSION QUESTIONS

Communities General Knowledge of CDFs
1. What do you know about CDF? And what's its purpose?
2. How did you know about CDF?
3. Have you read the CDF Guidelines? *(If yes, then ask the next question).*
4. What are the key components of the CDF guidelines?

Experience in Terms of Participating in Project Identification
1. As a community member have you ever participated in CDF meetings?
   * If yes, what was your experience like?
   * If no, what stopped you?
2. Have you ever participated in the identification and implementation of CDF project in your community?
   * If so, how did you participate in this?
   * If no, what was the reason for your lack of participation?
3. Do you see other people in your community participating in the identification and allocation of CDF projects?
   * If yes, how do they participate?
   * If no, what hinders people from participating?
   * Who participates the most?
4. Who do you think has more power in the identification, allocation and implementation of CDF in your constituency?
5. Have you been involved in the monitoring of CDF projects?
   * If yes, how did you find out and what did you find out?
   * If no, why have you not been involved in the monitoring of CDF projects?
6. Who is mostly involved in the identification implementation and monitoring of CDF projects?

Transparency in the Administration of CDF
1. As a community member have ever been consulted on CDF related matters?
   * If yes, who consulted you and what happened?
   * If no, why were you left out on the consultation process?
   * Who do you think takes a leading role on the CDF in your constituency?
   * Why do they do so?
2. Do you know the members of the Constituency Development Committee (CDO)? *(If yes, the ask the next questions 3 + 4)*
3. Do you think the CDC provides opportunities for community members to participate in the identification and allocation of CDF projects?
4. Do you think the Constituency Development committee is accountable and transparent when it comes to project identification? Explain your answer giving examples.
CDF and the role of the MP in community development work

1. Has the MP participated in the identification and implementation of CDF projects – if so: how did they participate? If no – what was the reason for lack of participation?

2. Do MPs change their behaviour on CDF issues when they realise their seat is not safe?

3. Has the MP been involved in the monitoring of the CDF projects? If yes, how did they monitor the projects and what did they find? If no, why did they not engage in monitoring?

Impact of CDF

1. Have CDFs contribute to service delivery in the constituency?
   * If yes give examples.
   * If no, give reasons why.

2. Does the CDF intervention/initiative lead to the desired change?
   * If yes, give examples
   * If no, give reasons.

Desired Change in CDF administration?

1. What do you think are some common pitfalls in implementation of CDF?

2. What do you think needs to change in the way CDF is implemented?

3. What needs to be done to widen representation on the identification and allocation of CDF projects from various community members?

4. What has made certain CDF projects to do well?
   · Give examples of good and explains on what makes them good projects
   · Give examples of bad projects and explain why they are bad projects

5. How can the community prevent future failures of CDF projects?
Ministry of Local Government and Housing sends $200,000 USD to constituency

District Council receives constituency funds for local development

MP & CDF Committee decide how funds are

Funds allocated to projects

Local Council organises procurement for project to be implemented

Project implementation monitored

CDF applications from the local community

MP’s want this amount to increase from $200,000 USD to $1,000,000 USD

Citizens think the CDF funds are given to the MP for their own

1. CDF Committee ‘selected’ by MP

1. Lack of transparency in amount allocated to projects

Council procurement for projects not open

1. No community monitoring

1. People don’t know about CDF funds – so don’t apply & participate

2. Lack of transparency in why projects are accepted or rejected

Allegations that funds go missing

Allegations that procurement contracts given

2. Only 2% of CDF funds allocated for monitoring.

CHALLENGES WITH CURRENT PROCESS

CURRENT ‘CDF’

OUTCOMES

Allegations of funds being used by MP’s for political gain

Lack of community participation throughout the process

Unwanted and unused projects
Constituency Development Fund

Transparency in Grass root Development or Political Patronage
Evangelical Fellowship of Zambia
8665 Kamloops Road
P O Box 33862
Lusaka 10101
ZAMBIA
+ 260 211 292 663
+ 260 211 292 489
http://www.efzsecretariat.org