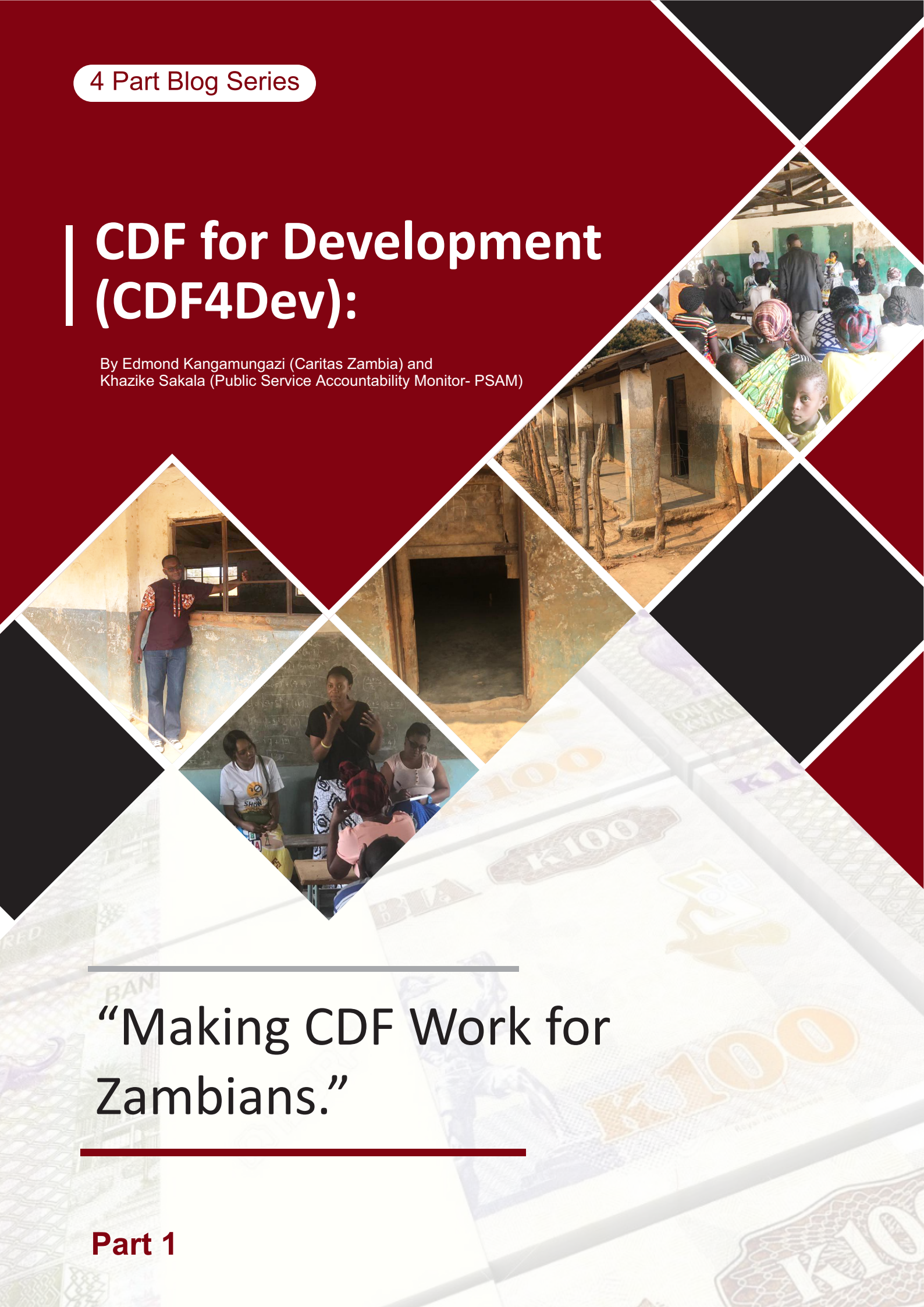


4 Part Blog Series

CDF for Development (CDF4Dev):

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“Making CDF Work for Zambians.”

Part 1

■ CDF in Zambia:

What is it and whom is it meant for?

INTRODUCTION

In recent times in Zambia, there has been hype around the concept of the Constituency Development Fund (CDF) in stirring development for the most marginalised and vulnerable. It has been the spotlight of contentious conversation amongst diverse stakeholders in the Zambian development discourse and landscape. Spanning from the ordinary citizens in communities and constituencies, to the government duty bearers, local leaders, civil society and members of parliament, there has been keen interest in this fund due to its popularisation more prominently over the past months. This begs the question; amidst all the buzz and risk of misinformation, is there a common general clarity around the funds intended purpose, its structure, utilization, access and its modalities for participation?

This is the first instalment of a four Part Blog Series dubbed “CDF for Development (CDF4Dev): Making CDF Work for Zambians”. The “CDF4Dev” Blog Series is intended to sensitize, educate, inspire and motivate the ordinary Zambian to join in and participate pro-actively in the CDF narrative and its implementation.

This first blog piece addresses the rationale and purpose of the CDF and for whom it was meant. Subsequent pieces, as part of the four Part Blogs will delve further into the legal arrangements in place to facilitate the management and use of the fund. The series will also explore the structures in place for its use, why it should concern the ordinary Zambian, how it can potentially benefit them and how they can access and monitor its use.

Purpose & Intention: The Constituency Development Fund (CDF)

The Constituency Development Fund (CDF) is a fund predominantly dedicated to meet the immediate social needs of local communities. It is a popular development tool that dedicates public money to benefit specific political subdivisions (constituencies in the case of Zambia) through allocations and spending decisions influenced by their representatives in the national parliament¹. The fund is meant for micro projects at constituency and community level intended to address specific needs of the local communities that cannot be fulfilled through the mainstream National budget. It also keeps the spirit of community participation alight, as the projects that are financed by CDF are locally identified with a strong insistence of involvement in its management, implementation and monitoring².

¹Pg 1: Center for International Development (CID), 2009. Constituency Development Funds Workshop. Rockefeller College of Public Affairs and Policy, University at Albany, State University of New York December 8-9.

²Caritas Zambia, 2011. A Study Report on the Constituency Development Fund (CDF): Allocation, Disbursement and Utilization. Lusaka.

In Zambia, the CDF was initially approved by Parliament in 1995 for financing micro - community based projects that contribute to “infrastructure development, wealth creation and poverty reduction at constituency level”.³

What then is CDF meant to Achieve?

The objectives of CDF in Zambia, according to the 2022 Guidelines by the MLGH are specifically to “encourage community participation in decision making in project implementation at local level, Support community driven projects, support planning and management of development projects at Constituency level and provide resources according to priority development needs in Constituencies”.⁴

The Ministry of Finance has been disbursing CDF to constituencies as grants while the Ministry of Local Government and Housing provides oversight management of its utilization. Respective local authorities administer the disbursements and utilization of the CDFs. This is in accordance with Section 45(1) of the Local Government Act Chapter 281 of the Laws of Zambia, which was repealed due to the enactment of the CDF Act of 2018. As part of annual capital programs, each council is mandated to include CDF for community-based projects in their capital budgets. The council is required to account for the funds in accordance with the Public Finance Act and other relevant laws.⁵

CDF provides local authorities with discretionary financing that can be decided upon and utilized at the discretion of the communities under the auspices of the council with the representation of the Member of Parliament (MP) and the Councilors within a particular constituency. The CDF is therefore used as a mechanism of decentralizing government finances by providing additional funds for local communities outside the money available to the line ministries.

What CDF is meant to achieve in Zambia

The objectives of CDF in Zambia, according to the 2022 Guidelines by the MLGH are specifically to **“Encourage community participation** in decision making in project implementation at local level, **support planning and management of development projects** at Constituency level and **provide resources according to priority development needs** in Constituencies”.

The fund aims to bypass often-inefficient local structures, and deliver public services directly to constituencies. If efficiently used, it is argued that the funds can have a significant impact. To date, over 20 different countries have adopted or are considering adopting CDFs⁶. Proponents of the concept assert that CDF demonstrates key principles of local ownership by enhancing local voices, and increasing community participation in decisions affecting them. It is also believed that it is a vital and innovative means to achieve tangible development

³Ministry of Local Government and Housing (MLGH), 2022. Constituency Development Funds Guidelines. Government of the Republic of Zambia, Lusaka.

⁴ ibid

⁵ ibid

⁶ ibid

outcomes at a grassroots level⁷. They have argued that in some rural areas of Zambia, such projects under the CDF have been the first infrastructural development in many years⁸. This shows that if utilized well, CDF has great potential to facilitate the much needed development at the local, community and hyperlocal levels and can address some of the inequalities that exist in a country.

Where are we now? Contentions of the CDF.

Historically, the fund has been subject to abuse due to loopholes in its administration as cited in various audit reports of Local government authorities over the past years. As such, its roll out has in the past been faced with accountability and transparency challenges as well as low levels of community participation and civic engagement. The fund has been marred with:

1	Significant misappropriation and corruption at the expense of local community development and benefit for which it was intended.
2	Inconsistent close monitoring of the fund.
3	Abuse of the Fund towards advancing political agendas for parliamentarians and elected councillors.
4	Weak procurement or contract work and poor workmanship in community projects.
5	Failure to follow procurement procedures in the purchase of goods and services
6	Questionable and inflated expenditures. ⁹

These issues have been cited as cause for concern by some CSOs such as Transparency International Zambia (TIZ) and Caritas Zambia. In some cases, where the fund has been accessed and used, it is said that the projects funded have not been able to adequately meet the desired quality because of poor procurement methods, suspected theft and misapplication of the fund itself. That CDF has been open to abuse and diversion, thereby depriving the target communities of development.

Due to the laxity in the utilization of the fund and inadequacy of the guidelines that were available and used to manage the fund in the past, we have seen its recurrent misuse occurring. In this vein, CSOs, the public, some members of parliament and elected officials campaigned for the revision of the guidelines and the formulation of an act of parliament. This saw the enactment of the Constituency Development Act No. 11 of 2018 and the subsequent release of the 2022 Constituency Development Fund Guidelines by the Ministry of Local Government.

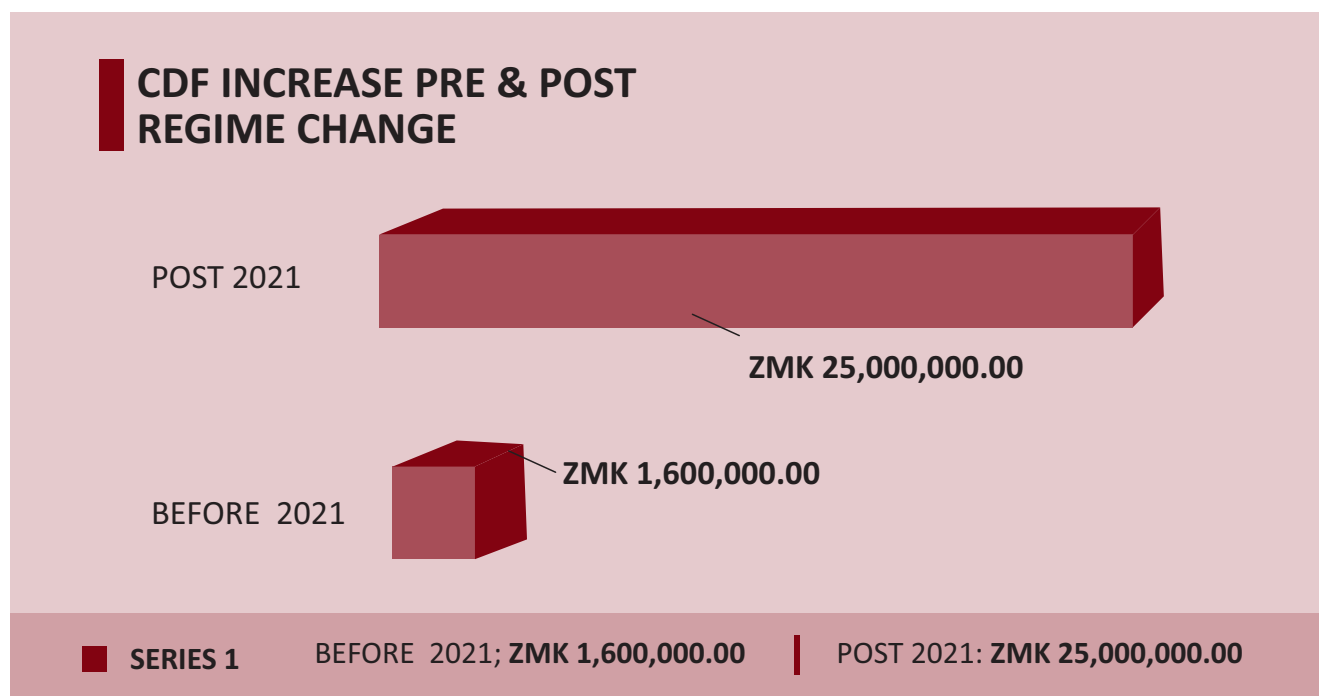
⁷Pg. 1: International Budget Partnership (IBP), 2010. Constituency Development Funds: Scoping Paper. IBP. Cape Town.

⁸Muleba, M 2010. Constituency Development Fund; What Has Happened to Our Money? Farmer Organization Support Program (FOSUP), Lusaka.

⁹Office of the Auditor General (OAG), 2015. Auditor General's Report. Government of the Republic of Zambia, Lusaka.

Office of the Auditor General (OAG), 2017. Report of the Auditor General on the Review of Operations of Local Authorities for the Financial Years Ended 31st December 2013, 2014 And 2015. Government of the Republic of Zambia, Lusaka.

After the ushering in of the new UPND led government in August 2021, they (New Dawn government) oversaw their first budget, which effected an increased CDF Allocation per constituency and expansion of scope from K1.6 million to K25.7million, an increase never seen before in the history of the country.



This increase translates into almost 16 times the originally allocated amount or 1562.50% which was a phenomenal increase which made a statement of the new governments supposed political will to enhance grassroots development through devolution of national resources. The expanded scope of the CDF covers three (3) specific areas namely; Community Projects; Youth, Women and Community Empowerment and Secondary Boarding School and Skills Development Bursaries.¹⁰

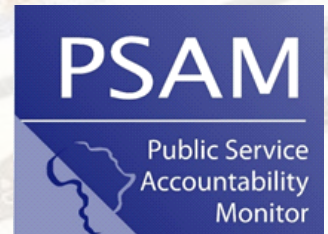
These changes have been met with elation from some actors in the country and seen as a progressive move by others. However, some concerns have been raised about the capacity for Local Councils to manage these huge sums of money considering their predominant failure to do so in the past as evidenced by some reports from the Office of the Auditor General on their Audit of Local Authorities. Actors such as the Alliance for Community Action (ACA) have raised concerns about the potential violations of statutory provisions and the reconciliation of the two pieces of legislation regarding the administration of the fund. A motion in parliament was raised for government to revise the guidelines and strengthen processes of management through reinforced guidelines.

However, the UPND government believes that this significant increase is important and necessary to “bring development closer to the people” as this provides an opportunity to make service delivery more responsive and accessible to the people. They also believe it will strengthen decentralised local institutions and promote local development agendas by enabling people to prioritise projects of their choice for local development. This, in essence, it is hoped that the fund will be citizen led and community centred.

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PSAM

The Public Service Accountability Monitor (PSAM) is a regional civil society organization based at Rhodes University “that contributes to addressing particular societal problems originating from systemic public resource management (PRM) failures.” PSAM's activities include research, monitoring, advocacy and capacity building. Working through Southern Africa, PSAM generates and shares knowledge about social accountability and the monitoring and advocacy tools that can build more open, participatory and accountable governments.



and Caritas Zambia

Caritas Zambia is a Catholic Organization that is an Integral structure of the Zambia Conference of Catholic Bishops (ZCCB). Inspired by the gospel and catholic social teachings, Caritas Zambia is a faith-based organization dedicated to the promotion of integral human development through witnessing, animation, conscientisation and institutional strengthening.

Its strategic focus areas are; to have the State that is transparent, accountable and responsive to people's needs, to have a Zambian society which upholds tenets of democracy (promotes participation, rule of law, and respect of human rights), to have improved livelihoods (increased income, food security and nutrition) and to have a Church that influences the State to fulfil its responsibility to eradicate poverty, respect human rights and uphold the rule of law for all.



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