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**SUBMISSION TO THE PARLIMENTARY COMMITTEE ON LOCAL GOVERNANCE, HOUSING AND CHIEF’S AFFAIRS**

**ON**

 **REVIEWING THE IMPLEMENTATION OF THE CONSTITUENCY DEVELOPMENT FUND**

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**Contact:**

**Country Director**

**ActionAid Zambia**

**P.O Box 51407**

**Lusaka**

TABLE OF CONTENTS

[LIST OF ABBREVIATIIONS 1](#_Toc152856485)

[1.0 INTRODUCTION 2](#_Toc152856486)

[EXECUTIVE SUMMARY 2](#_Toc152856487)

[POLICY AND LEGAL FRAMEWORK GUIDING IMPLEMENTATION OF THE CONSTITUENCY DEVELOPMENT FUND 2](#_Toc152856488)

[THE ROLE OF ACTIONAID ZAMBIA AND THE CENTRE FOR POLICY DIALOGUE AS A NON-STATE ACTOR IN THE IMPLEMENTATION OF THE CDF 3](#_Toc152856489)

[CHALLENGES ASSOCIATED WITH THE IMPLEMENTATION OF THE CONSTITUENCY DEVELOPMENT FUND 4](#_Toc152856490)

[RECOMMENDATIONS 5](#_Toc152856491)

[CONCLUSION 6](#_Toc152856492)

# **LIST OF ABBREVIATIIONS**

AAZ – ActionAid Zambia

CDF – Constituency Development Fund

CDFC – Constituency Development Fund Committee

CPD – Centre for Policy Dialogue

WDC – Ward Development Committee

MLGH – Ministry of Local Government and Housing

# **1.0 INTRODUCTION**

ActionAid Zambia (AAZ) is part of ActionAid International, which is a global movement of people working together to further human rights and defeat poverty for all. In Zambia, ActionAid is currently implementing the 2023-2028 Country Strategic Paper (CSP), which focuses on five (3) Strategic Priorities namely, Environmental Sustainability and Climate Justice, Civic Participation and State Accountability and Transformative Youth Led Engagement. ActionAid Zambia works with women, youths and children, as well as community-based groups, civil society organisations, government agencies, to mention but a few.

The Centre for Policy Development (CPD) is an independent, non-partisan and non-profit profit organization that is dedicated to formulating and promoting alternative public policies based on the principles of social justice, limited government, individual freedom and the rule of law.

In line with our shared vision to fight for social justice and eradicate poverty among vulnerable communities in Zambia, we herein make a submission to the Committee on Local Governance, Housing and Chiefs’ Affairs, hereby reviewing the implementation of the Constituency Development Fund (CDF).

# **EXECUTIVE SUMMARY**

The Constituency Development Fund (CDF) has become a topic of discussion among Zambian Citizens since its first increase from K1.6 million in 2021 to K25.7 million in 2022. In the 2024 budget, the Ministry of Finance proposed an increase in the allocation towards CDF to K30.6 million from the K28.4 million in 2023. The Decentralization Agenda and the backing increases in budgetary allocations call for increased efficiency and effectiveness in the implementation of the CDF, ensuring that the developmental needs of Zambian citizens, especially the marginalised and vulnerable, are met and sustained.

In this paper, ActionAid Zambia and Centre for Policy Dialogue will discuss the adequacy of the policy and legal framework guiding the implementation of CDF, the role of non-state actors such as ActionAid Zambia and Centre for Policy Dialogue in the implementation of CDF, the opportunities and challenges faced in implementation, and finally provide some recommendations for your action.

# **POLICY AND LEGAL FRAMEWORK GUIDING IMPLEMENTATION OF THE CONSTITUENCY DEVELOPMENT FUND**

The overall purpose of CDF is to enhance local ownership and increase community participation since 1995. The CDF is enshrined in section 162 of the Constitution of Zambia and is operationalized by the CDF Act of 2018. The Act provides for *the management, disbursement, utilization, and accountability of the Constituency Development Fund established under the Constitution; establish Constituency Development Fund Committees in constituencies and provide for their composition and functions; and provide for matters connected with, or incidental to, the foregoing.*

Other policies and legal frameworks that guide the implementation of CDF include the CDF Guidelines (2022) and the Treasury and Financial Management Circular No. 4 of 2023, which guide CDF allocation and processes. The Local Government Act of 2019, the Decentralization Policy, and the Decentralization Implementation Plan, facilitates the operationalization of decentralized structures and decision-making, enabling CDF implementation. The Public Finance Management Act of 2018, which provides for the strengthening of accountability, oversight, management and control of public funds, public assets, and stores with regards to CDF. The Public Procurement Act of 2020 which regulates and controls practices relating to public procurement in a bit to promote integrity, fairness, and public confidence CDF procurement processes. The Urban and Regional Planning Act of 2015, which enables and ensures the sustainability of constituency developmental projects, and finally, the National Planning and Budgeting Act of 2020, which overall enables and facilitates the allocation of resources towards constituency development.

The legal and policy framework is robust to guide accountability, transparency, planning, decision-making and project execution where CDF implementation is concerned. However, there are some notable areas for improvement such as *Robust Monitoring and Evaluation Frameworks, Impact Assessment of CDF funded Projects, CDF Project Data Management, Documentation and Learning*. In terms of monitoring and evaluation for instance, while the CDF Act and Guidelines clearly provides how monitoring is to be done and who is supposed to be involved, it is however unclear which frameworks are used for monitoring and how these are aligned to the 8NDP indicators. Furthermore, there are inconsistencies observed in the CDF Act and the CDF guidelines on the Youth and Women Empowerment and the Bursaries Allocation which may cause the two not to efficiently complement each other.

# **THE ROLE OF ACTIONAID ZAMBIA AND THE CENTRE FOR POLICY DIALOGUE AS A NON-STATE ACTOR IN THE IMPLEMENTATION OF THE CDF**

* Checks and balances in the implementation of CDF, ensuring that the Government and Local Authorities address bottlenecks, and other concerns hindering the equitable and efficient implementation of CDF.
* Advocate for Gender Responsive CDF implementation.
* Conduct awareness raising activities such as community town halls and other engagements with local communities in its implementation areas, informing them of the CDF and the opportunities that it presents for their socio-economic development.
* Build the capacities of local communities on their rights, the commitments of the government and local authorities, and the ways in which they can ensure the social accountability of these institutions in the implementation of CDF.
* Tracking and analyzing the legislation, policies and guidelines provided for CDF implementation, presenting analysis and recommendations that ensure the alignment of the different instruments, as well as ensuring that the instruments favor the equitable, efficient and transparent implementation of CDF processes.
* Support local CSOs working on CDF matters with resources and capacity building for CDF monitoring and tracking in communities.
* Conduct research and documentation of the wins and pitfalls in CDF implementation with the view to inform reforms and the enhancement of processes.

# **CHALLENGES ASSOCIATED WITH THE IMPLEMENTATION OF THE CONSTITUENCY DEVELOPMENT FUND**

ActionAid Zambia and Centre for Policy Dialogue have highlighted the following concerns, which arguably, have a major impact in the implementation of the Constituency Development Fund.

* Section 5 (b) of the CDF Act of 2018 gives the Member of Parliament power to nominate certain members of the Constituency Development Fund Committee (CDFC) who otherwise must be nominated by their represented constituents to ensure true citizen participation. While the role of the MP in the Constituency Development Fund Committee is cardinal, allowing the MPs to nominate about (5) representatives from different sectors may limit adequate participation of other sectors. This is because sectors may adequately participate if they nominated their representatives whom they know based on rootedness, expertise to mention among others.
* The responsibility to receive, review and approve the project lists from the CDF Committees is borne by the Minister, according to section 4 (c) of the CDF Act of 2018, and the CDF guidelines of 2022. The Act grants powers to the Minister to approve projects without recourse of the CDF Committees in an instance where certain projects are not approved by him/her, undermines the constituents’ needs and priorities.
* CDF Act 30 (2) (a) permits the Minister to provide for the identification, prioritization, and classification of projects. This provision defeats the purpose of community participation and engagement if what community members deem as a “priority” can be overridden at the discretion of the Minister.
* WDCs lack administrative financial support to conduct business as the 5% allocation to administration is only applicable at the CDF committee level. Further, WDC members cover their own expenses on travel and meeting logistics, as it is a voluntary role.
* The CDF guidelines and applications forms needs to be explained and translated in local languages as many communities suffer from high illiteracy levels.
* Lack of proper flow of information from the Local Authorities to the WDCs and their communities.
* Most groups that received empowerment funds for their cooperatives receive lesser amounts than applied for, which poses a huge risk in terms of financial management since the funds granted are less than funds applied for, creating difficulties in implementing the intended projects that were initially applied.
* There are no environmentally friendly guidelines towards community projects to ensure that the construction of projects is not harmful to the environment.
* The CDF Committee membership as provided for in section 5 (2) of the CDF Act of 2018, only comprises of technical persons and institutional representatives, with no regard for youth, women, and persons with disabilities’ representation. The Committee and its decisions are therefore not gender sensitive as they do not assure the participation and inclusion of marginalized groups in society in decision-making on issues such as project scrutiny, project list development, monitoring, and learning, to mention but a few.
* Twelve (12) months project cycles restrict procuring larger projects. Under current Guidelines, all projects need to be procured and completed within 12 months. Some of this time is consumed by receiving approvals from the MLGH on the project list, which increases the likelihood of unfinished projects by the end of the fiscal year. This is likely to become an even bigger challenge going forward. With a larger funding envelope expected for the next budget year, local councils are likely to start procuring larger projects which as such will demand even longer procurement and implementation span.
* The CDF guidelines provides that procurement pricing for CDF projects should be in accordance with the ZPPA quarterly market price index. However, in many areas outside the line of rail prices of goods are higher than prices on the market price index due to among other reasons high transportation costs. This therefore could lead to substandard projects under the CDF due to low prices offered for projects inline with the quarterly market price index.
* ActionAid and the Centre for Policy Dialogue (CPD) undertook a study in Mongu Central and Itezhi Itezhi constituencies. In Mongu Central 12 wards were covered while in Itezhi Itezhi 13 wards were covered. The study findings revealed that there is little understanding about CDF allocation among the citizens. Out of the total 1,137 (100%) in Itezhi-Tezhi, only 200 (18%) respondents knew how much was allocated to their constituency through CDF. The majority, 613 (54%) had no idea while 325 (29%) were not sure. Similarly, from a total of 1000 (100%) valid responses in Mongu Central, 95 (10%) respondents knew how much was allocated to their constituency through CDF, 486 (49%) had no idea while, 411 (41%) were not sure. Limited knowledge on the CDF by citizens could lead to poor accountability about the CDF project.

# **RECOMMENDATIONS**

ActionAid Zambia and Centre for Policy Dialogue makes the following recommendations to better deal with the identified concerns:

* The Constituency Development Fund Act must be amended to ensure that representatives from the CSO’s, churches, the community, and all Councilors on the committee should be nominated by their various groups.
* The CDF Act section 4 (c) must be amended to decentralize power to make the final decision in the spirit of decentralization. The provision of section 12 of the CDF Bill of 2023 which assigns the review and approval of projects to Provincial CDF Committees is a step in the right direction.
* There is need for constituencies with large geographical landscapes to be delimited to ensure that no citizen is left behind in socio-economic development.
* Following the Minister of Finance’s pronouncement during the 2024 budget speech to conduct carrying capacity assessments and allocate CDF to constituencies in accordance with their capabilities, we believe this should be prioritized but also ensure that these processes are equitable and do not lead to further exclusion of less advantaged and marginalized communities.
* Currently, the CDF guidelines do not permit resources to be re-allocated from one CDF component to the other. Neither do the same guidelines mention where the unutilized CDF resources must be taken by the end of the financial year. The CDF guidelines should be amended to provide for flexibility and specificity in the re-allocation of the unused CDF resources.
* CDF guidelines must be revised to include an allocation for WDC administrative funds, enabling them to carry out their roles with ease.
* The Ministry should disburse funds that have been applied for by different groups. In a case that there is insufficient funding to disbursement, the applicants must receive notification with reason to why they have received less funds. This helps to build trust and transparency between the communities and the government.
* According to a case study conducted by CPD in 2023 on the transparency and Accountability in the Implementation of CDF in Mongu Central and Itezhi-Tezhi Constituencies, the survey respondents recommended that there should be an introduction of mobile registration services for regulatory bodies such as PACRA and the Registrar of Societies in readiness of the CDF application period.
* The government should ensure that there is timely construction of funded projects as agreed, by proper supervision of contractors that have been assigned the projects.
* To address the challenge of inactive monitoring committees and the lack of progress tracking for Community Development Fund (CDF) funded projects, AAZ and CPD recommends that the government must educate constituency offices on monitoring and evaluation (M&E) systems, documentation and open publication of CDF implementation reports and bulletins.

# **CONCLUSION**

ActionAid Zambia and CPD acknowledge and commend the government for committing to improving CDF implementation through the amendment of the Public Procurement Act of 2020 and the Constituency Development Fund Act of 2018, the proposed carrying capacity assessment exercise, the delegation of authority from the Minister of Local Government the Provincial CDF committees to approve projects, to mention but a few. However, as noted in this paper, there remains much room for improvement. Therefore, we call for deliberate effort from the Government to ensure the realization of the aspirations of every Zambian citizen, especially those living in poverty and exclusion.