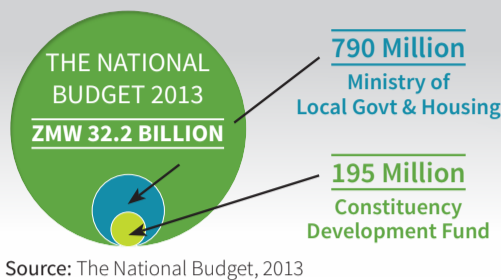


# PMRC CONSTITUENCY DEVELOPMENT FUND ANALYSIS

## Working Towards A More Effective Decentralised System of National Development

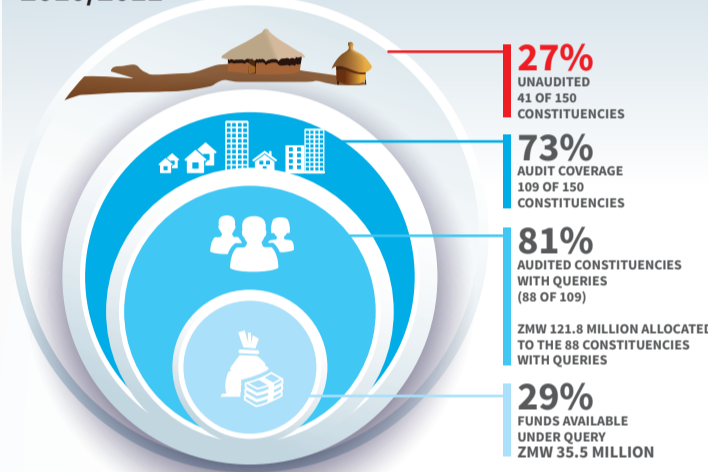
### WHAT IS CDF?

The Constituency Development Fund (CDF) was first established in Zambia in 1995 to fund micro-community development projects. It is guided by the CDF Guidelines 2006 under the Ministry of Local Government and Housing. In 2013, each constituency received ZMW 1.3 Million amounting to ZMW 195 Million, representing 25% of the total Ministry of Local Government and Housing budget.



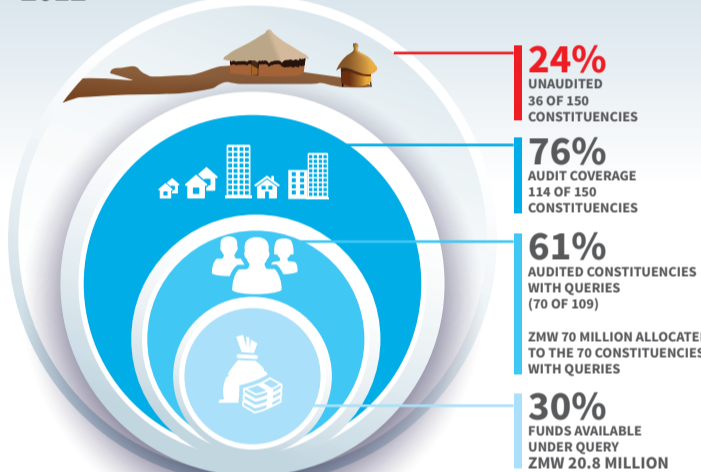
In 2010/2011, only **73%** of the 150 constituencies in Zambia were audited. Of these **81%** had audit queries (88 constituencies). Of the **ZMW 121.8 Million** allocated to these 88 constituencies as CDF, **ZMW 35.5 Million** was under query, representing **29%** of the funds available.

#### 2010/2011



In 2012 only **76%** of the 150 constituencies in Zambia were audited. Of these **61%** had audit queries (70 constituencies). Of the **ZMW 70 Million** allocated to these 70 constituencies as CDF, **ZMW 20.8 Million** was under query representing **30%** of the funds available.

#### 2012

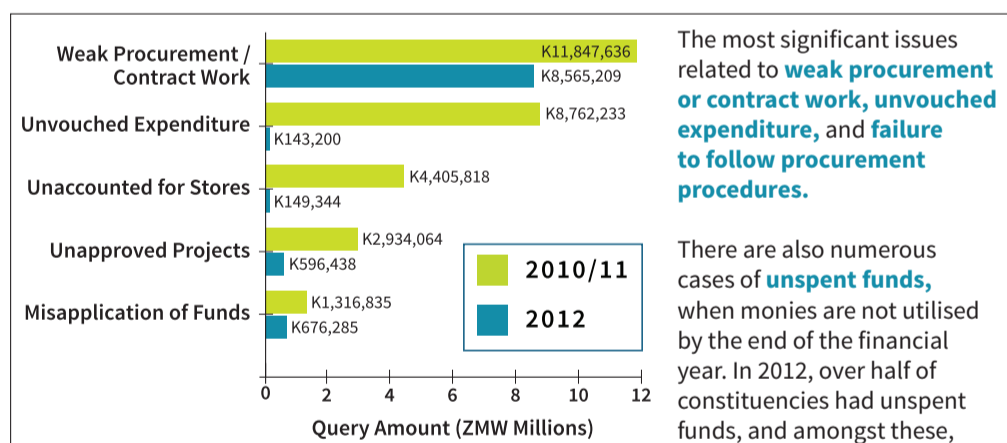


In summary a total of ZMW 56 Million was under query between 2010 - 2012.

### A number of key issues are affecting the ability of CDF to address grassroots development needs:

1. Poor community knowledge of CDF;
2. Poor guidelines and support for how CDF should be utilised;
3. Late release of funds affecting project implementation;
4. Poor quality projects and lack of monitoring;
5. Lack of sanctions against offences or misuse; and
6. Weak auditing processes.

### Top 5 Query Categories by amount 2010/11 and 2012



Source: Adapted by Policy Monitoring and Research Centre (PMRC), 2014 from CDF Auditor General's Report 2010-2012

The most significant issues related to **weak procurement or contract work, unvouched expenditure, and failure to follow procurement procedures.**

There are also numerous cases of **unspent funds**, when monies are not utilised by the end of the financial year. In 2012, over half of constituencies had unspent funds, and amongst these, over 70% of available funds remained unspent, often due to the **late release of funds.**

Research indicates significant difficulties in implementing CDF projects and questions the logic in diverting such substantial funds away from local government. The root problem is that CDF is essentially a flawed process, in existence largely due to political motivations and failings in existing systems of service delivery and development.

### WHAT WOULD A RE-STRUCTURED SYSTEM OF COMMUNITY DEVELOPMENT MEAN FOR ZAMBIA?



Resources will be pooled at the Council for effective distribution and implementation of projects



Development will be based on medium-term frameworks to achieve sustainability



Planning will be better integrated with other government departments



Administrative resources will be effectively utilised without duplication and M&E improved

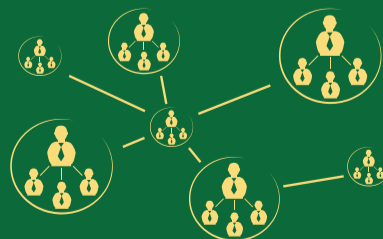


Political involvement will be removed so funds target real community needs



MPs can focus on other constituency and government responsibilities

## PMRC RECOMMENDATIONS



Phase out the current CDF system and utilise funds to address community development through existing structures of Ward and Area Development Committees and the Council

Strengthening the decentralisation process and structures and ensure the national development agenda incorporates sub-level priorities

Undertake capacity building, baseline data collection and reviews of Council Schedules and audit processes to enhance delivery of community development

