



# **STRATEGIES TO IMPROVE EFFICIENCY IN THE ADMINISTRATION AND DELIVERY OF THE CONSTITUENCY DEVELOPMENT FUND (CDF) IN ZAMBIA (2)**

REPORT ON THE STATUS OF IMPLEMENTATION OF PROGRAMMES IN CENTRAL  
MUCHINGA, NORTH-WESTERN, SOUTHERN AND LUSAKA PROVINCES

**RESEARCH REPORT**

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### List Of Abbreviations

8NDP	Eighth National Development Plan
CDF	Constituency Development Fund
CDFCs	Constituency Development Fund Committees
PLGO	Provincial Local Government Officers
PMRC	Policy Monitoring and Research Centre
RASME	Remote Appraisal Supervision Monitoring and Evaluation
USAID	United States Agency for International Development
WDC	Ward Development Committee
WDFC	Ward Development Fund Committee
ZPPA	Zambia Public Procurement Agency

## Acknowledgment

We wish to acknowledge all stakeholders who participated in the data collection and invariably contributed to documenting experiences in the implementation of projects under the Constituency Development Fund in the study sites. The insights into the process from project identification and selection through to implementation and in some instances, completion afford the reading public an appreciation of what actually happens on the ground.



## 1.0 BACKGROUND

The Constituency Development Fund (CDF) in **Zambia** **was intended for micro-community development projects that are visibly beneficial and involve the active participation of ordinary community members.** Emphasis is placed on achieving development at a grassroots level, encouraging the involvement of actual beneficiaries in the communities in the supply of both labour and materials for projects.

This report presents findings on the progress made and challenges with recent developments resulting from the increased CDF allocation from K1.6 million per constituency to K24.6 million in 2022.



## 2.0 INTRODUCTION

Economic emancipation has remained a core focus area for successive governments in Zambia since independence and the pursuit of a decentralized governance approach represents the key route to achieve this. **Zambia has chosen decentralization by devolution to drive development, reduce poverty and support job creation through citizen engagement and participation at the local level.** To actualize decentralization in line with the Constitution, the Government has decided to move financial and human resources from central to local government level.

In terms of financial resources to support this endeavour, the Constituency Development Fund (CDF) was created to foster the fiscal decentralization agenda in 1995. This fund has over the years become a tool for enhanced community participation and service delivery at the community level. Further, the fund has evolved both in scope and resource allocation from central government. The 2022 national budget made a **significant increase in the fund from K1.6 million to K25.7 million per constituency.** The scope of the application expanded from supporting service delivery to inclusion of community projects, support for youth, women and community empowerment projects, secondary school bursaries and skills development. This expansion has attracted interest from a wider range of stakeholders including civil society organizations, think tanks and communities in general. While the fund encourages enhanced community participation in development and improved service delivery, administration of the fund has been afflicted with a series of hurdles which have not only affected its effective delivery and integrity of the system but also threatened the overall devolution agenda due to weakness and shortcomings that are associated with the operations of local authorities. For instance, **the 2020 Report of the Auditor General on Local Authorities highlighted weaknesses and shortcomings in the operations of the 67 local authorities audited.** Some of these included the following:

- i) Faulty procurement and contract management systems; unsupported payment, unaccounted-for stores, missing payment vouchers and wasteful expenditure.
- ii) Poor management of the Local Government Equalisation and Constituency Development Funds;
- iii) Failure to develop integrated development plans.

While remedies to address some of the aforementioned challenges have been pursued through standardization of the pricing index in the public sector by the Zambia Public Procurement Agency (ZPPA), the general perception of the system, to deliver on the aspirations of CDF, particularly in local authorities, is yet to be seen. To rekindle the effectiveness of the system, against the backdrop of the expanded scope of the CDF, it will be prudent for local authorities to institute stringent measures necessary to avoid any eventualities that lay waste to efforts at driving socio-economic development in the constituencies. It must be ascertained that resources appropriated by Parliament and disbursed are being applied to the intended purpose and are being expended in conformity with the authority that governs it and that monies are spent economically, efficiently and effectively.<sup>1</sup> Addressing the hurdles to meet the full realisation of the expectations under decentralisation in general and CDF, in particular, will open up new and improved pathways for further interventions as more information becomes available. This will set the tone for achieving success under, among other national programmes, the Eighth National Development Plan (8NDP) and National Vision 2030.

It is against this background that the Policy Monitoring and Research Centre (PMRC) conducted consultations with selected local authorities to gather information to inform recommendations for measures to optimize the administration of the CDF.

The general objective of this study was to understand the challenges and progress made in the implementation of the increased CDF. The specific objectives were to:

1. To determine the level of implementation of CDF in selected constituencies in 7 districts in five (5) provinces;
2. To ascertain the level of alignment of the legal framework in the implementation of decentralisation;
3. To underscore the successes and challenges faced in the implementation of CDF.

### 3.0 METHODOLOGY

Building on a desk review of the relevant documentation and analysis thereof, stakeholder engagements were conducted in selected sites to gain further insights into the actual implementation of the various aspects of the CDF. The information collected from both the desk review and engagement meetings was analyzed under appropriate themes that informed the findings and recommendations of this study.

1. Article 250 (1) of the Constitution of Zambia (Amendment) Act No.2 of 2016 is the fundamental law governing public funds and all others laws derive validity from this provision.

The stakeholder consultations helped in formulating recommendations on how to address the gaps and shortcomings revealed by the desk review, by engaging with policy implementers and other stakeholders in the various constituencies.

### 3.1 Site Selection

The research was conducted in the sites set out in Table 1 below. The choice of sites to conduct the research was informed by levels of progress and development in districts that were implementing projects supported by CDF as well as those districts deemed to be least developed and peculiar challenges they face that may affect the pace at which their projects are implemented.

**Table 1:** Study Areas Selected in Five (5) Provinces

PROVINCE	DISTRICT	CONSTITUENCY
Muchinga	Kanchibiya	Kanchibiya
	Mpika	Mpika Central
North-Western	Solwezi	Kapijimpanga
Southern	Itezhi Tezhi	Itezhi Tezhi
Lusaka	Chongwe	Chongwe
Central	Chisamba	Chisamba
	Mumbwa	Mumbwa

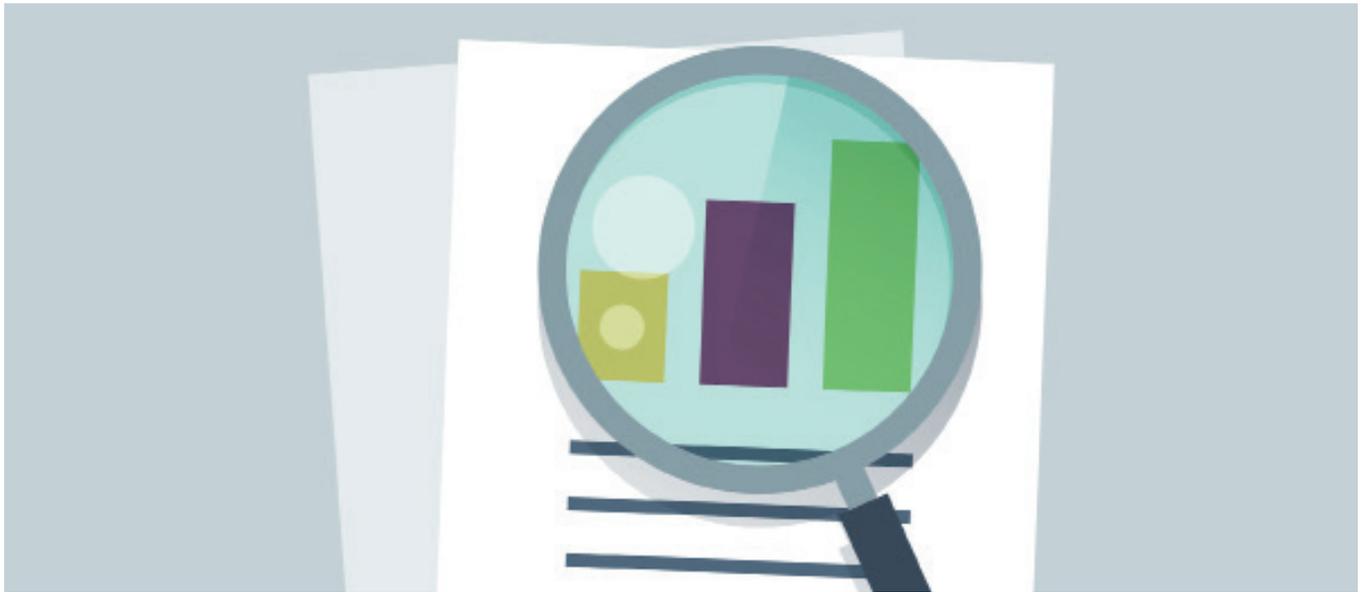
### 3.2 Issues for Discussion

The following issues were raised in the consultations in order to guide the research conversations:

- a) Uptake of monies allocated to the CDF;
- b) Communicating objectives of CDF to communities;
- c) Shortcomings in the framework and proposed mitigation;
- d) Process for selection of key approved projects;
- e) Responsiveness of the projects to poverty reduction and job creation;and
- f) Data storage and management systems.

### 3.2 Key Informant Selection

Consultations were conducted with local authorities, provincial administration, members of parliament and staff in constituency offices as well as beneficiary institutions in the respective districts. The interactions with stakeholders during the fieldwork facilitated insights into what is required to cure possible gaps in implementation.



## 4.0 RESEARCH FINDINGS

CDF is managed through local authorities with the help of Ward Development Committees and Constituency Development Fund Committees (CDFCs) which select priority development projects to be supported by CDF. There have been concerns about the ability of the local authority to manage and account for the increased resources under their authority as they have over the years been embroiled in financial irregularities. Another concern is the inadequacy of the Guidelines. While this is being addressed by the Government, it is important to also determine the dynamics in the constituencies which are compromising the successful utilisation or otherwise of the resources. Issues relating to accountability and transparency have been raised, with suggestions that councils should be included as key stakeholders in the process of developing projects since implementation falls to them.

Indications pointing to the incapacity to interpret local area integrated development plans in the formulation of ward development plans have been gaining momentum. However, it must be recognised that this is not a uniform challenge as some areas have successfully embarked on projects using the same format in the Guidelines. It remains to determine the extent of the challenge in order to prompt practical responses. The success stories will provide best practices for those constituencies that are still floundering. Further, concerns have been raised concerning the capacity to appropriately procure and monitor the implementation of public projects bearing in mind cost, timeliness and value-for-money factors.

A concern was expressed about the attitudes of community members towards public funds that tend to hamper sustainable utilisation. It was opined by the provincial administration in one of the sites that capacity building should be given a lot of attention, across the board. The specific focus should be on developing business plans, financial literacy and financial management as the lack of skilled capacity in these is apparent.

#### 4.1 PROJECTS FINANCED BY CDF

Visits to selected constituencies revealed progress in implementing projects financed by the CDF, primarily in the following sectors: agriculture, health and education. A sample tabulation of the projects and commentary on the status are contained in Appendix 1.

**Generally, in all the sites visited, the main projects being undertaken include:**



Construction and rehabilitation of public infrastructure such as clinics, classroom blocks, police posts and court houses;



Purchase of equipment such as graders, water bowsers, tractors and tipper trucks; purchase of desks



Sinking of boreholes



Electrification



Bridge construction

It was evident that in the years preceding 2020, there were various construction projects embarked upon which stalled for a variety of reasons. The momentum to complete these earlier projects came from the increased allocation to CDF and further implementation of aspects of fiscal decentralisation. To cope with emerging demands placed on the local authorities to deliver, there have reportedly been capacity-building workshops with more training, and the need for bigger budgets to meet administrative needs.

Aside from infrastructure projects, some constituencies have gone into agricultural development to ensure communities are empowered and self-sustaining. One of the objectives of this work was to identify best practice models for the application of the CDF to replicate the same, as far as this would be possible, in those districts that are still lagging in terms of development. Such models were identified in Kanchibiya and Itezhi Tezhi.

## 4.2 BEST PRACTICES

All the sites visited demonstrated a keen desire to deliver on the objectives of CDF. A few have gone further to leverage resources in the constituencies using the regional development plan approach. This entails that new thinking needs to be brought to the process. Management in the local authorities should play a central role in conducting consultations on applications for projects in conjunction with the WDC. Approvals should be made for the whole year in advance and paid for as funds become available. This should run parallel to continuous sensitization in the wards. For this to work effectively and efficiently, there is a need to ensure that the composition of the WDC is made up of representatives who can interpret guidelines and proposals. It will be necessary that skills form a critical component of this level of authority. This makes a firm case for institutionalised capacity building. It is expected that consultations will be a fundamental component of delivering appropriate services and this will be across a wide pool of stakeholders. In terms of the composition of the Ward Development Fund Committee (WDFC) for instance, they must be persons who can articulate issues technically as well.

### 4.2.1 KANCHIBIYA

**Kanchibiya shared a robust plan for the district and the constituency, which is founded on a functional relationship among the office bearers who make decisions. The framework for the plan includes:**

- i) **Communication:** This was identified as the missing component in the district hence the proposed community radio station project. The lack of uniformity in information being shared had been identified as a challenge and the establishment of a community radio station will enable information sharing in real-time and enable instant feedback. Since it is community-based, the station will employ locals. This responds to the job creation aspect.

Generally, communicating about how all the various projects being undertaken translate into benefits for the constituency is important. This generates a sense of ownership among community members. It has been recognised therefore that communication is cardinal for the community to buy into the efforts – for instance, it should be made clear that construction

projects create employment and income generation; the message must appeal to all potential employees of the new civic centre, police station etc. The construction of the police station will be part of the messaging centred on law and order in the district, to lure investors from outside the district on the assurance that security in the district has been addressed.

- ii) **Regional Comparativeness:** Each region needs to identify its comparative advantage to respond to poverty reduction and job creation; to this end, resource mapping should be conducted. The resource mapping so far done revealed that farming activities such as rice growing and fish production were viable for some parts of Kanchibiya and aquaculture is a leading activity, situated in Chalabesa; as the government provides resources, the community will embark on activities that are income-generating and based on value addition;
- iii) **Capital Investments:** The earth-moving equipment purchased using CDF will be hired out to generate income for the coffers of the local farmers;
- iv) **Infrastructure:** The Council intends to construct a lodge to provide accommodation for the anticipated traffic into the district and plans have been made for the construction of a storage facility which can be leased to Government ministries and a parking bay. Land for this purpose will be made available by the traditional leaders who are critical partners in the development of the area. The Council also owns farms that will be leased to cooperatives to use for fish farming. These will in turn feed into revenue collection streams.
- v) **Human Development:** An added implication of the skills training being sponsored by the CDF means the district will have a local pool of skilled labour for investors to hire. The quality of skills is also of critical importance and the emphasis will be on continuous improvement.
- vi) **Strengthened Cooperatives:** Cooperatives need to be strengthened and the quality of empowerment initiatives need to be emphasised. These are all sources of revenue through the payment of levies.
- vii) **Constituency Development Plan:** It is important that a business model is made for revenue collection from all the potential income streams created by the projects being undertaken. The constituency has a five-year development plan for each ward.
- viii) **Community involvement is key to the success of projects;** meetings are held at the chief's palace (Luchembe, Chinama, and Namusulwa are regular locations for meetings). Public fora are an important monitoring tool.
- ix) **Constituency Project Monitoring and Evaluation Tool:** Prior to the monitoring tool recently launched by the government, Kanchibiya had developed a template for reporting. For agriculture and community projects, for instance, there is a template which supports all requirements to

be attached to applications by cooperatives. This is submitted by the constituency office to the council. This is done in conjunction with the District Agriculture Office. Due diligence must be done before disbursement. This requirement should ideally be situated in the Monitoring and Evaluation tool.

#### 4.2.2 ITEZHI-TEZHI

Itezhi Tezhi presents a similar model of successful implementation; for sensitization and general information dissemination, the local radio station presents a weekly programme where technocrats present updates on projects and interact with feedback from the community in real time. The programmes are presented in English and the local language. The station also runs jingles on the entire CDF framework. In addition, project monitoring is done by a combined team of council personnel, the constituency office and the local authority.

A critical glance at the model being pursued by the two constituencies is the critical factor of public participation in the implementation and optimal realization of the aspirations of CDF; a sense of community ownership raises the bar against wastage and the potential for plunder is minimised. Moreover, it is one of the best practices encouraged in the Handbook CDFs: Principles and Tools for Parliamentarians<sup>2</sup>. A public participation tool should thus be a feature of the CDF framework, alongside the M&E tools. This is meant to enable engagement with constituents to make claims about government services. It includes mechanisms for participation and cooperation with local, regional and national agencies; and for conducting community-based needs assessments and public awareness campaigns; holding community meetings and initiating community-based budget proposals. This tool may emerge from a strategic plan for the development of the constituency.<sup>3</sup> This can be equated to regional integrated development plans, a good example of a public participation tool, considering that they are developed through a consultative process. This makes them an important tool for monitoring as well.

The importance of appropriate information dissemination has a highlighted by various stakeholders consulted. While the information flow chart for communicating the objectives of CDF is clear i.e. Local Authority>WDC>Zonal Representative>Community, there is always the danger of distortion of the information being passed on. A community radio station solves this problem as everyone receives the same information at the same time through targeted programmes. Resources are needed for this, alongside concerted efforts by those on the information pathways. It has also been proposed that visual materials for communities to understand the information should be developed for easier understanding of processes involved in accessing CDF for empowerment.

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2 Commonwealth Parliamentary Association, [www.cpahq.org](http://www.cpahq.org)

3 Ibid, page 23



## 5.0 CHALLENGES AND REFORM PROPOSALS

By and large, challenges faced by the local authorities and constituency offices were almost similar across the districts visited. Below are some of the common challenges and how they have been resolved, where possible:

- i. **The bursaries for skills training have been a welcome development and have eased the burden of resources for training youths.** The uptake has been remarkable, despite the challenges faced by some successful applicants for skills training who did not report to the skills training centres because they were unable to afford the incidental requirements for the training, such as transport, food and lodging. These account for the reports that some students did not report for skills training despite being awarded bursaries. In this case, there may be a need to determine what additional arrangements can be made where levels of vulnerability are extreme.
- ii. **A related matter is the fact that the skills training centres are not evenly spread across the country** hence students travel long distances from their homes, further exacerbating their vulnerability. It is prudent that more skills training centres are established in as many districts as is practicable. In Chisamba, for instance, this particular issue has been addressed. It has been decided that a training centre should be constructed and land has been allocated by the chief for this purpose. Construction will be financed through lobbying and it is expected that CDF may be used as well. A discussion around the aspect of partnerships is imperative in

this regard, particularly for multi-faceted community projects. The Local Impact Governance project under USAID notably promotes community engagement and empowers councils to generate income through capacity building initiatives. It was reported that in Central and Muchinga provinces the Local Impact Governance project has been working with the WDC chairpersons specifically on the guidelines and tools for monitoring and reporting; to this end, tools have been developed.

- iii. The politicisation of the role of CDF** - the provision stipulating that a member of parliament (MP) can nominate members of the CDF committee raises concerns that the MP and his/her nominees may be inclined to follow the dictates of the one who has nominated them. This allegiance also affects the work of the constituency office which is ideally supposed to assist the MP in maintaining accurate records of work being done in the constituency. It was a finding of fact that some MPs were not liaising with staff in the National Assembly constituency offices which are mandated to be the link between the local authorities and the constituency. In the current political environment which expresses zero tolerance for corruption, it is important to ensure that opportunities are not created for corrupt practices through cronyism.
- iv. Late Disbursement of Funds** - from the perspective of the constituency office, late disbursement of school fees and bursaries has in some instances led school authorities to exclude affected beneficiaries from attending school. An example was given of Chipembi School for Girls where CDF was not disbursed on time in 2022 and some vulnerable pupils were unable to enrol on time. This, however, was at variance with findings in other districts where fees were fully disbursed to the relevant schools.
- v. Administrative allocation too low** - the 5% allocated to administrative costs for local authorities is inadequate for the intended purpose and it was proposed that an increase to the budget should be considered. This is to avoid local authorities drawing on their main budget while executing constituency development work. The CDF Guidelines stipulate the parameters for application of monies but the allocation in real terms falls below the actual work involved due to the vastness of some constituencies. Transport was identified as a major challenge in the execution of some tasks and this needs to be addressed in the main council budget. It was proposed that there should be a further administrative cost for monitoring work. Further, it was proposed that disbursement of the administrative cost should be a once-off disbursement as opposed to quarterly.
- vi. At the time of the research, there was no standardised method or tool for monitoring progress on projects.** Monitoring has been done without coordination and a specific framework for reporting. For the Planners, for instance, it was easy to refer to the Bill of Quantities (BoQ) as a gauge for progress; for the MP and others, there was no specific tool. This gave rise to a situation where progress could not exactly be measured, resulting in projects not being completed and funds not being accounted for simply because of this gap.

- vii. An important consideration that may have to be resolved once the various projects** required to develop constituencies are completed is that not all areas will develop at the same pace. Some parts of the country are starting from ground zero and require a lot of orientation on the nuances of CDF and its objectives. More time and resources will be required for some districts to be at an acceptable level of development. For example, development in rural districts cannot be equated to that in urban districts hence it is not practical to allocate the same amount after a certain period and it is expected that the M&E tool will take this into account.
- viii. The prominence of the WDCs has revealed flaws in the administrative arrangements** – the absence of logistical support for the increased work has called for adjustments to make it possible for the WDCs to conduct their work. While reasonable accommodation has been made to ensure they perform their routine functions, this will need to be factored into budgets. It is anticipated that as fiscal decentralisation gains momentum, this will be addressed. This ties in with the call to increase the administrative budget.
- ix. The findings reveal the need for comprehensive sensitisation and capacity building.** This is important as it will lay the foundation for strengthening the framework for CDF while at the same time ensuring that projects are responsive to actual gaps. One of the resounding issues was whether the Constituency Development Fund Committee (CDFC) should be involved in deciding which projects to prioritize or leave this to the Ward Development Committees (WDC) to decide. A conversation needs to be held around this to ensure that the decision is made by the appropriate committee.
- x. At the ward level, it was stated that information is not trickling down, there is a knowledge gap requiring skills on the part of members of WDCs.** They have basic knowledge but cannot disseminate information. It is therefore necessary for sensitization to be conducted on their responsibilities in relation to developing plans. Simplification of documentation was proposed as a solution.
- xi. The issue of transfers of critical officers was highlighted:** Some offices are integral to the smooth implementation of projects. An example was given of the office of the District Planning Office. Information availed to this office should be complete so that there is continuity. There are accounts of uncoordinated transfers and gaps in information which have had a negative impact on project delivery. This is an important area for capacity building. Other capacity gaps noted were in relation to building inspectorates. All offices in the service delivery spectrum need to be streamlined and aligned to the devolved responsibilities of local authorities.
- xii. To maximise impact, it is proposed that the allocation for grants be increased.** While it is acknowledged that there have been some challenges with accessing grants in some places, there are calls for an increase. The justification is that this serves as seed money for youth groups and cooperatives. Youth participation in fiscal decentralisation is an important issue for the success of the decentralisation process. There is a body of evidence to support youth

participation, from findings of the 2020 Labour Force Survey which provides an important synopsis of the employment landscape in Zambia and sets out characteristics of the total labour force in Zambia. For any meaningful development to take place in Zambia, it is important to be deliberate about how to absorb this important resource in new and innovative ways of creating jobs. One avenue is through youth-centric cooperatives; they are just starting and the grants will serve as seed money. It is also important that there be a deliberate policy to reserve some activities for the youth, depending on the location. This will allow start-ups to thrive.

- xiii. In keeping with efforts to improve responses to poverty reduction, income generation, sensitization around current topical issues should be shared in easy-to-relate formats so that communities can improve the quality of content for project proposals.** For instance, the guidelines should contain categories for proposals that respond to national issues of a global nature such as climate change. Environmental sustainability should be included as a criterion for determining the viability of a project for grant support. In this way, the impact is achieved on two fronts: the community begins to participate as change agents and national goals are achieved.
- xiv. The use of technical expertise has not been made mandatory in the development of project proposals, leading to some projects being substandard or non-responsive to the needs of the communities.** CDFS must utilize available expertise relevant to the particular project.<sup>4</sup> Technical experts from the relevant sectors should be consulted to ensure the relevance of projects; this will ultimately protect public funds from being wasted.

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4. This is recommended in the Handbook on Constituency Development Funds: Principles and Tools for Parliamentarians (Commonwealth Parliamentary Association)



## 6.0 ENABLING FRAMEWORK

To appreciate the development impact of the CDF as the most significant mechanism to deliver resources to the people, it is important to mention some of the enabling instruments. The aim here is to ensure that the information is simplified and shared with all stakeholders.

The Constitution of Zambia (Amendment) Act No.2 of 2016 provides for a system of devolved governance, which stipulates that the management and administration of the political, social, legal and economic affairs of the State shall be devolved from the national government level to the local government level.<sup>5</sup> The Constitution is clear in this intention and goes further to stipulate the principles that shall govern the devolution at different levels of government, as follows:

- a) Good governance, through democratic, effective and coherent governance systems and institutions;
- b) Respect for the constitutional jurisdiction of each level of government;
- c) Autonomy of the sub-structures; and
- d) Equitable distribution and application of national resources to the sub-structures.<sup>6</sup>

In addition to the Constituency Development Fund Act<sup>7</sup>, other enabling legislation includes the Public Finance Management Act<sup>8</sup> and the Public Debt Management Act<sup>9</sup>. These provide the foundation for legitimizing financial allocations and spending. These were analysed in an earlier publication under this series which is available at [www.pmrzambia.net](http://www.pmrzambia.net)<sup>10</sup>

### 6.1 EIGHTH NATIONAL DEVELOPMENT PLAN (2022-2026)

The Eighth National Development Plan (8NDP) is Zambia's medium-term blueprint designed to unlock the potential of all sectors of the economy to deliver on the national development agenda for the

5 Article 147(1)

6 Article 147(2)

7 No. 11 of 2018

8 No.1 of 2018

9 No.1 of 2022

10 PMRC, Strategies to Improve Efficiency in the Administration and Delivery of the Constituency Development Fund (2022)

period 2022–2026. The input was widely consultative and included the ward level as it was envisaged that devolution of functions would be a critical component in ensuring citizen participation.

## 6.2 NATIONAL BUDGET

The national budgets for the fiscal years 2022 and 2023 reveal a significantly increased allocation to the CDF, the single most significant public service item which seeks to bring development closer to the people through the decentralisation of Government functions. **The budgetary allocation increased from about K1.6 million per constituency in 2021 to K25.7 million in the 2022 fiscal year before increasing further to K28.3 in the 2023 fiscal year. The current total annual CDF budget is therefore about K4 billion.**

## 7.0 PROGRESS MADE ON THE IMPLEMENTATION OF DECENTRALISATION

As the Government seeks to implement the National Decentralisation Policy, local authorities have been tasked to take the lead on planning for the priority allocation of resources at the district level to enable increased participation by communities. The increased quantum of the CDF in the 2023 national budget calls for increased capacity and sensitisation, particularly in response to some of the challenges.

It is expected that this increase will place onerous performance demands on administrative council systems, most of which have weak finance management capacities. In addition, there are indications that there are technical challenges in some areas as highlighted in the PMRC analysis of the strategies to improve efficiency in the administration and delivery of the CDF (2022). It remains to determine what the variations are between the constituencies that have managed to put together projects and have progressed to implementation.

The key expectations of increased CDF are:

- a) More resources will be taken to the people.
- b) There will be enhanced value in the projects.
- c) Partnerships will be encouraged.
- d) There will be a prudent use of resources.
- e) Local suppliers of goods and services will be supported so that resources are ploughed back into the community.

These should continue to inform initiatives to improve delivery and respond to attendant challenges.

Current efforts to further implement decentralisation by devolution as stipulated in the previous and the Revised National Decentralisation Policy are premised in the Constitution. It is envisaged that the system of local government is robust enough to carry the full-fledged functions which are progressively being devolved to local authorities. The local authorities as duly elected representatives of the people are best placed to receive and respond to the development needs of the people. An obligation rests on the central government to ensure that adequate resources are made available for

the performance of the functions and responsibilities. In this regard, the importance of coordination from the central government, through provincial administration, to local authorities should be emphasised<sup>11</sup>

## 7.1 RECENT DEVELOPMENTS IN THE LEGAL AND REGULATORY FRAMEWORK FOR DEVOLUTION

Poor absorption of funds was a source of concern before the government decided to decentralise fiscal arrangements for CDF disbursement. Under-utilization was attributed to administrative bottlenecks caused by highly centralised approval processes mandated by law at the time.<sup>12</sup> In addition, procurement procedures and limited capacity in project preparation continued to hamper the effective and timely completion of applications. Recommendations made to mitigate these challenges have since been actioned<sup>13</sup>:

- i) The Constituency Development Fund Act is currently under review, with the intention to repeal and replace it in order to ensure alignment with the National Decentralization Policy. This legislative action is also meant to ensure that legislation relating to CDF reflects, among other matters, provisions relating to procurement. This is the subject matter of ZPPA Circular No.1 of 2023 which has streamlined the guidelines on procurement; hence it remains to enshrine this in the law.
- ii) The Local Government Act has given local communities more decision-making power through local governments.<sup>14</sup> This is accomplished by delegating approval authority to Provincial Local Government Officers (PLGO); in doing so, the 10-working-day turn-around policy is implemented, under which all administrative procedures for the approval of projects, programmes, and beneficiaries are expected to be completed. The PLGO will approve all community projects, including the disaster component; applications for women, youth, and community empowerment; and bursaries. Through this approach, components of the CDF value chain such as project identification, implementation, monitoring, and evaluation are poised for improvement in terms of delivery time. In this regard, Cabinet Circular No. 2 of 2023 is instructive.
- iii) The recently launched Remote Appraisal Supervision Monitoring and Evaluation (RASME) tool by the African Development Bank and the Ministry of Finance and National Planning (April 2023) will address the issues relating to M&E, principally that there was hitherto no uniform tool for monitoring projects. The various role players conducted monitoring using different tools. This lack of coordination has now been cured.
- iv) Increase community capacity and awareness through partnerships with various stakeholders to disseminate information. Most online and digital platforms are used for information sharing.

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11 This is governed by Articles 148 and 151(1)(a)

12 PMRC, National Budget Analysis 2023, page39

13 Ibid

14 Section 68 of the Local Government Act No.2 of 2019.

## 8.0 POLICY RECOMMENDATIONS

Based on the foregoing, PMRC makes the following recommendations:

1. The Ministry of Local Government and Rural Development is urged to provide a further breakdown of the devolved functional relationships and the levels of autonomy assigned to the different levels of the local authorities for organization structure, policy and planning, budgeting, financial management, revenue generation and staffing.
2. A comprehensive road map should be developed and shared to mobilise broad-based support for the vision of fiscal decentralisation as well as the strategies to meet that vision.
3. Establish a clear framework that addresses the functions between the central and sub-national levels of government, the resource gaps at the sub-national levels and the financial accountability capacity issues at the sub-national levels.
4. The Decentralisation Secretariat is urged to ensure that the key messaging around the goals of the decentralisation program highlights the need to strengthen and expand local democracy; promote local social and economic development, and reduce poverty while increasing the choices available to the Zambian people.
5. Institutionalise capacity building for all local authorities to guarantee uniform implementation even among the less developed districts.
6. A deliberate policy should dictate that certain activities be reserved for youth start-ups.
7. It is recommended that a national labour pool database be created. National labour pool databases can be a valuable tool for businesses and governments as this can help to improve the efficiency of the labour market and make it easier for people to find jobs in various localities as in the case of decentralisation.
8. The review of the legislation and policy should ensure that provisions relating to procedures are strengthened. This will enshrine accountability and transparency.
9. It is further recommended that provisions relating to monitoring are expressly stipulated, providing that it should be done throughout the life of a project to ensure that it is progressing on target. Regular audits should be conducted in compliance with the Remote Appraisal Supervision Monitoring and Evaluation (RASME) tool.

## CONCLUSION

Much has been documented about decentralisation and why it is not a viable solution to Zambia's developmental problems. However, much can be said about its potential to turn around the fortunes of the various districts. Zambia joins a growing number of developing countries that have pursued various forms of fiscal decentralisation as a means of escaping the traps of ineffective and inefficient governance, macroeconomic instability, and inadequate economic growth that have plagued them in recent years. Decentralization in developing countries sometimes seems to be viewed as either a panacea or a plague – either a cure for all the ills of such countries or an addition to their already heavy burdens. Some argue for decentralization on grounds of improved economic efficiency, some on grounds of cost efficiency, some in terms of improved accountability, and some in terms of increased resource mobilization.<sup>15</sup> For Zambia, the devolution journey is not new but it has certainly kicked into high gear with recent efforts to take development closer to the people. Substantial administrative and legal preparations have been made in the period starting in 2012, with various development partners supporting the process.<sup>16</sup>

In conclusion, for fiscal decentralization to fully take effect, there are certain core requirements vis:

- 1) Human resource and financial capacity to perform;
- 2) Avoid ambiguity and overlaps as functions are devolved;
- 3) Combine local government internally generated funds with allocations from the central government;
- 4) Eliminate funding gaps, where they exist.

Furthermore, as the various devolution activities unfold, the three Cs must be considered:

- a) Capacity building;
- b) Coordination; and
- c) Communication.

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15 Bird, Richard and Vaillancourt, Françoise *Fiscal Decentralisation in Developing Countries*, Cambridge University Press, 2009

16 The Decentralisation Implementation Plan (2013 – 2017) is one such intervention; there was also the Decentralisation for Development Programme (2018– 2021). These are some examples of support from cooperating partners to steer the decentralisation process and promote local administration. [www.giz.de](http://www.giz.de)

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2. Commonwealth Parliamentary Association, Handbook on Constituency Development Funds: Principles and Tools for Parliamentarians
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4. Policy Monitoring and Research Centre, National Budget Analysis 2023
5. UNHABITAT, Fiscal Decentralization in Zambia (2012) [www.unhabitat.org](http://www.unhabitat.org) retrieved 27/4/2023

## LEGISLATION REFERRED TO

1. The Constitution of Zambia (Amendment) Act No.2 of 2016
2. Local Government Act No.2 of 2019
3. Public Finance Management Act No.1 of 2018
4. Public Debt Management Act No.15 of 2022
5. Constituency Development Fund Act No.11 of 2018

STRATEGIES TO IMPROVE EFFICIENCY IN THE  
ADMINISTRATION AND DELIVERY OF THE CONSTITUENCY  
DEVELOPMENT FUND (CDF) IN ZAMBIA (2)



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