

## **The Impact of the Constituency Development Fund (CDF) in Zambia**

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Constituency Development Funds are spreading rapidly through Africa and have been established or are under consideration in other regions. Though such funds go by different names in different places and vary in their functioning, they share a few basic characteristics: they represent an additional or parallel set of funding for the development of parliamentary constituencies that flows outside of decentralized government structures and line ministries, the MP from the parliamentary constituency has a substantial role in determining how and where these funds are spent, these funds have tended to be exercised with limited oversight or accountability. Several arguments for CDF have been advanced: the line ministries and local government have systematically failed to deliver basic services or infrastructure at the local level over a number of decades CDF allows government to bypass inefficient local structures and deliver goods and services directly to constituents, MPs indicate that constituents expect them to provide direct benefits and CDF simply allows them to better meet this expectation. At the same time, a variety of criticisms of the CDF have been made: questions on the constitutionality of a program that gives MPs an executive spending role have been raised, the CDF tends to undermine local government structures, questions on the allocative efficiency have been raised, there is some documentation in different countries of corruption, politicization of development investment, and lack of accountability for expenditure decisions. Zambia's CDF was approved by Parliament in 1995 within a wider decentralization policy. It is one of the most significant transfers' disbursed annually to the 150 constituencies and has grown from approximately \$13,000 per constituency in 2006 to approximately \$160,000 per constituency in 2011. These funds are under the control of the local MP who is a member of the Constituency Development Committee. The paper assesses the impact of the CDF and how its processes may be reformed to strengthen local governance structures, enhance the implementation of wider fiscal decentralization initiatives and develop local council's capacities.