

## **BRIEF REPORT ON THE 7:30 BREAKFAST DEBATE – AUGUST 29<sup>TH</sup> 2008**

### **CONSTITUENCY DEVELOPMENT FUNDS: SHOULD LEGISLATORS FINANCE PUBLIC SERVICE DELIVERY?**

The Constituency Development Fund essentially provides additional resources for development at the local level by channeling money to constituencies under the management of Members of Parliament. If introduced in Tanzania, the CDF would thus supplement the existing funding mechanism for local government and be allocated in the budget of every financial year and after parliamentary approval, the funds would be disbursed to the constituencies to be spent on development projects as prioritized by the local citizens.

Policy Forum, as part of its campaign against CDF, dedicated this month's debate on the subject. The speakers at the event were Rose Mushi of ActionAid who presented the position of Policy Forum members on the introduction of the CDF and Prince Bagenda of African International Group of Political Risk Analysis who presented on the efficiency of CDF in Public Service Delivery. Mr. Semkae Kilonzo facilitated the debate.

The first presentation was done by Mr. Prince Bagenda whose main argument was based on two ideas: One, CDF was like any other fund used in developing our constituencies and hence the emphasis should be on improving the mechanisms of delivering the fund. He further explained that what was needed is the capacity to manage the fund and rid it of any political influence in deciding how it is spent. He cited elections as a possible avenue for abuse whereby a parliamentary candidate spends the fund on activities that meet the interests of his/her supporters rather than the community at large.

Moreover, he stated that CDF should not be a cause for worry since, as public money, the fund will be managed by bureaucrats who are accountable and are scrutinised through processes like budgeting and auditing.

The second presentation was by Ms. Rose Mushi on the position of Policy Forum Members on the introduction of CDF in Tanzania. Her presentation was based on why we should not introduce the CDF.

She started by giving the definition of CDF in that it essentially provides additional resources for development at local level by channeling money to constituencies under the management of Members of Parliament. She explained that the CDF is allocated in the budget of every financial year and after parliamentary approval, the funds are disbursed to the constituencies to be spent on development projects as identified and prioritized by local citizens. Every constituency receives funds whose exact amount is based on a formula that includes factors like population and size of the constituency. CDFs are typically managed by committees comprised of the area Member.

Later on she explained the concern about CDF from Policy Forum position by saying that CDF undermines the parliament's oversight role. She said the CDF will seriously undermine the ability of parliament to perform its oversight function independently and thus effectively, since a legislature that is involved in introducing and/or implementing spending proposals compromises its ability to question these initiatives and therefore to hold the executive to account.

Furthermore, she said that the CDF creates a parallel structure alongside the existing local government structures and this increases the burden on the already overwhelmed local government officials. This parallel structure also increases the cost

of administering local funds by using money which could have been used to increase the resources available for the projects themselves. Funding provided under the CDF is funding that is not provided through the existing local government system, thereby undermining local government autonomy and the on-going implementation of decentralisation by devolution through the Local Government Reform Programme.

Also she said that projects developed outside of the formal budget process may have other economic implications. They may fail to take advantage of economies of scale. And actually the money is being allocated based on electoral geographical allocation than administration geographical boundaries.

On the inadequate access to planning and implementation information at district level, she said it was a major challenge limiting citizens' ability to hold officers to account. Ms. Mushi said MPs should first seek to empower citizens with information regarding development projects and process at their area to improve participation and accountability.

In her conclusion, she asserted that alternatives must be considered first before establishing the fund. She cited the strengthening of MPs' capacity as per constitutional mandate and ensuring that there are established accountability mechanisms to ensure resources allocated are effectively used for their intended purpose as examples in this regard.

### **Comments and Questions from Plenary Discussion:**

Table 1:-

- MPs promise more than they can deliver so CDF is going to be a burden.
- If the MPs' role is oversight, then CDF will be a problem to accountability as they cannot scrutinise what they implemented in the first instance.
- There is a need for Media, PF and all other stakeholders to join forces in condemning the introduction of CDF.

Table 2:-

- CDF contravenes the principles of a democratic society.
- Governance projects have failed in TZ due to lack of accountability and democracy.
- The inability of our community leadership cannot be corrected by money alone. For development, skills and knowledge are also important.
- If MPs are being asked for money by their voters, they need to change the electorate's perception of what parliamentarians are for.

Table 3:-

- CDF is an elaborate plan to win elections.
- We need to invest a lot of resources in the community
- Training is needed to improve the capacity of those in decision-making positions.

Table 4:-

- If current funding mechanisms are failing in the delivery of services, maybe this can be used as an opportunity to work with MPs and discuss ways in which

the 21 different channels of funding currently available in their areas can be improved.

- CDF is more political than developmental.

Table 5:-

- CDF is good since it intends to solve the problems but the downside is that it is also meant to help the ruling party stay in power.
- Why not to improve the available fund which does exist?

**Response to the Comments:**

- So if the system does not work lets have our own system that fits our environment. Like in Brazil, they have their own system that goes hand in hand with their environment.
- The local government is saturated with funding mechanisms that need to be reviewed. Adding more of them is not the solution.
- Greater awareness and wider stakeholder debate about the implications of CDF is needed before its establishment.

Mr. Semkae Kilonzo from Policy Forum closed the discussion and welcomed the participants to the next monthly breakfast debate.



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