

THE CONSTITUENCIES DEVELOPMENT CATALYST FUND ACT,  
2009

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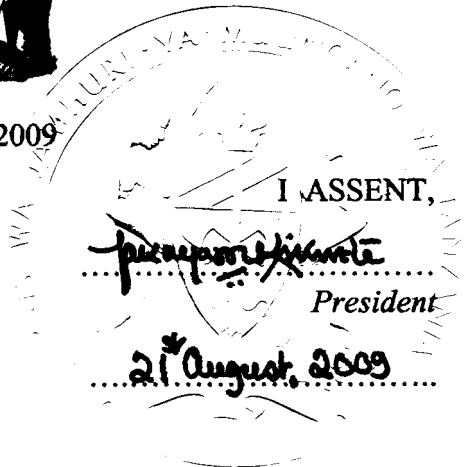
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## THE UNITED REPUBLIC OF TANZANIA



NO. 16 OF 2009



**An Act to establish the Constituencies Development Catalyst Fund; to provide for allocation and an orderly disbursement of funds to constituencies and for prudent management, compilation of records, returns and reports from constituencies and to provide for other related matters.**

ENACTED by Parliament of the United Republic of Tanzania.

**PART I  
PRELIMINARY PROVISIONS**

Short title and  
commencement

**1.-(1) This Act may be cited as the Constituencies Development Catalyst Fund Act, 2009.**

**(2) This Act shall be deemed to have come into operation on the 1<sup>st</sup> day of July, 2009.**

## Application

2.-(1) This Act shall apply to Mainland Tanzania as well as to Tanzania Zanzibar.

(2) This Act shall apply in relation to a portion of the national annual budget devoted to the electoral constituencies for purposes of development of each of such constituencies.

## Interpretation

3. In this Act, unless the context requires otherwise -

“Committee” means a Constituency Development Catalyst Committee;

“community” means residents of a particular geographical area or constituency;

“Council” means-

- (a) when used in relation to a district, the District Council for the district;
- (b) when used in relation to town, municipal and city, the Town Council, Municipal Council and the City Council;

“Council Planning Officer” means a public officer employed by the local government authority responsible for all development projects in the Council;

“constituency” means an electoral constituency established by Electoral Commission pursuant to Article 75 of the Constitution;

“constituency account” means the account maintained for every constituency in accordance with the provisions of section 22;

“Constituency Development Catalyst Committee” means the Committee established under section 10;

“Minister” means the Minister responsible for local governments;

“Sheha” means a leader of a local government authority established by the Revolutionary Government of Zanzibar below the District Council, and the term “Shehia” shall be construed as meaning a local government authority established as such;

“Submission List” means the Constituency Projects Submission List compiled in terms of section 12.

## PART II

### THE CONSTITUENCIES DEVELOPMENT CATALYST FUND

Establishment  
of CDCF

4.-(1) There shall be established for the purposes of development projects in every electoral constituency the Constituency Development Catalyst Fund, also to be known by both acronyms of the Fund or “CDCF.”

(2) The administration and management of the Constituency Development Catalyst Fund shall be co-ordinated by the Minister responsible for local governments in respect of funds allocated for constituencies which are situated in Mainland Tanzania and the Minister responsible for Union Matters in respect of funds allocated for constituencies which are situate in Tanzania Zanzibar.

Caps.  
348 and 410

(3) The charge on, and every expenditures from the Constituency Development Catalyst Fund, shall be made in accordance with the Public Finance Act, the Public Procurement Act and this Act.

Allocation of  
funds

5.-(1) The Government shall, for each financial year, allocate funds for the development expenditure of each constituency and the funds shall be reflected in the printed estimates of that particular financial year.

(2) The funds of the CDCF shall be allocated in the annual budget appropriated by Parliament for the financial year to which the budget relates, through-

- (a) in the case of constituencies in Mainland Tanzania, the Ministry responsible for local governments; and
- (b) in the case of constituencies in Tanzania Zanzibar, the Ministry responsible for Union Matters.

(3) Allocation of the amount of funds set for the Constituency Development Catalyst Fund for each constituency shall be made on the criteria that-

(a) twenty five per cent shall be allocated equally to each constituency; and

(b) seventy five per centum shall be allocated based on the following attributes-

(i) forty five per cent in relation to the population of people living in a constituency;

(ii) twenty per cent in relation to the poverty margin;

(iii) ten per cent in relation to the size of the geographical area of a constituency.

(4) All funds allocated in terms of subsection (1) shall be-

(a) posted directly by the Treasury to the respective Constituency Development Catalyst Fund account which shall be opened in accordance with the local government financial laws; and

(b) administered in accordance with the provisions of section 22.

(5) The Committee shall, at its discretion, determine the quantum of instalments to various projects in the constituency taking into account the disbursement received and the requirement of different projects.

(6) Once funds are allocated for a particular project in a constituency, they shall remain allocated for that project and not be reallocated during the financial year for any other purpose in that constituency.

(7) Where for any reason a particular project is cancelled or discontinued during a financial year, the funds allocated for such project shall remain credited to the account of the relevant constituency from which the funds were withdrawn.

Funds to be retained in the CDCF

6.-(1) All receipts, savings and accruals to the CDCF and the balance of funds at the end of each financial year shall be retained for the purposes for which the CDCF is established.

(2) All funds deposited in a constituency account shall be cumulative and shall be carried forward from one financial year to the next, including funds returned into accounts or funds which are not utilized for whatever reasons.

Disbursement from the CDCF

7.-(1) Every allocation and disbursement of funds from the Constituency Development Catalyst Fund shall be approved by the Constituency Development Catalyst Committee.

(2) All disbursements from the Constituency Development Catalyst Committee shall be made through the constituency account.

(3) The record of the amount received by each Constituency Development Catalyst Committee and the record of expenditure of amount so received shall be submitted:

(a) in the case of Mainland Tanzania, to the Minister; and

(b) in the case of Tanzania Zanzibar, to the Minister responsible for Union Matters,

within thirty days after the closure of the relevant financial year together with a copy of the relevant bank statement and no disbursements for the succeeding financial year shall be made into the constituency account until the said records are duly received.

Cap. 348

(4) Subject to the provisions of the Public Finance Act, the Constituency Development Catalyst Committee may set out and observe general conditions and requirements for the release of funds and such conditions shall be observed by the Constituency Development Catalyst Committee.

(5) The Constituency Development Catalyst Committee may impose reasonable requirements including restrictions on a particular constituency due to previous misuse of funds and such restrictions or requirements shall be reported together with a recommendation on appropriate legal action.

Personal awards to be excluded

8. A project or any part of the project which involves personal awards to any person in cash or in kind shall not be allowed to be included in the Submission List or projects submitted in accordance with section 18(2).

Accounts and audit

9. All funds received under this Act shall be audited and reported upon by the National Audit Office.

### PART III

#### CONSTITUENCY DEVELOPMENT CATALYST COMMITTEE

Composition of Constituency Development Catalyst Committee

10.-(1) There shall be a Constituency Development Catalyst Committee for every constituency which shall be composed of and convened by the elected Members of Parliament and shall have a maximum number of seven members, comprising -

- (a) the elected Member of Parliament, who shall be the Chairman;
- (b) the District Planning Officer, who shall be the Secretary;
- (c) two councillors who are residents of the relevant constituency one of whom shall be a woman;
- (d) in the case of a Mainland Tanzania, two Ward Executive Officers and in the case of Tanzania Zanzibar one Sheha who shall be resident of the relevant constituency;
- (e) one person nominated by the Committee from among the active NGOs in the area, if any;

Provided that the members referred to under paragraphs (c) and (d) shall be nominated by Councilors, Ward Executive Officers and Shehas from amongst the Councilors, Ward Executive Officers and Shehas within their respective constituencies.

(2) The person referred to under subparagraph (e) shall be nominated not later than a second sitting from the inauguration of the Committee.

(3) The elected Member of Parliament for every constituency shall, within the first year of a new Parliament and at least once every two years thereafter, convene vocational meetings in the constituency to deliberate on development matters in the ward, the constituency and the district.

(4) Each ward shall come up with a list of priority projects to be submitted to the Constituency Development Catalyst Committee.

(5) The meeting of the Constituency Development Catalyst Committees shall be constituted for valid transaction of business upon presence of two-thirds of the total number of members.

(6) The term of office for the members of the Committee shall be thirty calendar months renewable, but shall automatically come to an end upon the appointment of a new Committee in a manner provided for in this Act.

(7) Where a Member of Parliament loses his seat in the General Election or a by-election or dies, one of the councillors shall be a Chairman of the Committee until such time when another Member of Parliament is elected provided that:

- (a) the Committee existing prior to a parliamentary election or by-election shall continue to be in office in a manner provided for under this Act; and
- (b) the list of projects shall not be changed.

(8) Where a vacancy occurs in the Committee by reason of incapacity or death of a member, the Committee shall fill the vacancy from the same category of persons.

Responsibilities  
of the  
Constituency  
Development  
Catalyst  
Committee

11.-(1) The Constituency Development Catalyst Committee shall deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Development Catalyst Committee considers beneficial to the constituency, including joint efforts with other constituencies.

(2) Without prejudice to subsection (1), the general responsibility of the Constituency Development Catalyst Committee shall be to-

- (a) receive and scrutinize project proposals;
- (b) approve or disapprove project proposals;
- (c) compile quarterly records, returns and reports of development projects undertaken in the constituency; and
- (d) execute any other duty as may be necessary.

#### PART IV

##### CONSTITUENCY PROJECTS SUBMISSION LIST

Member of  
Parliament to  
keep record

12.-(1) The list of constituency based projects for which funds from the CDCF may be disbursed shall be initiated by the members of the community who are resident in a constituency.

(2) Upon compilation of the list, the Member of Parliament shall keep the record of the projects to be attached with the list and be submitted to the Constituency Development Catalyst Committee for consideration.

(3) The Committee shall deliberate on the projects referred to under subsection (2).

(4) The projects to be implemented and for which the Constituency Development Catalyst Fund funds are to be disbursed shall be equitably spread within the constituency.

Deadline for approval of project

13.-(1) The Constituency Development Catalyst Committee shall approve the record of projects compiled in terms of section 12 before the end of the month of December in each year or such other month as may be determined by the Minister.

(2) All projects proposed for a constituency shall be listed in the Submission List specified in the First Schedule to this Act together with the cost estimates of such projects.

## PART V

### SUBMISSION, SCRUTINY AND IMPLEMENTATION OF PROJECTS

Government department to implement

Caps.348

14.-(1) All projects approved for financing by CDCF shall be implemented by the relevant Council and all payments shall be processed and effected by cheque in accordance with the Public Finance Act.

(2) Where a project in a constituency involves the purchase of equipment, such equipment shall remain for the exclusive use of that constituency and in the event of disposal of such equipment the amount realized shall be paid into the account of that constituency.

Procurement of services, goods and works  
Cap. 410

15.-(1) All works, goods and services relating to projects under this Act shall be procured in accordance with the Public Procurement Act.

(2) All tenders and quotations tabled at a meeting of the Constituency Development Catalyst Committee shall indicate that the Constituency Development Catalyst Committee has no objection to the award through minute resolution before the tender of quotation is awarded.

Department  
to maintain  
records

**16.** The Council Planning Officer shall oversee projects under his jurisdiction and shall keep and maintain records of the disbursements of funds and progress of the projects funded by the CDCF.

Returns to  
Constituencies  
Development  
Fund

**17.-(1)** The Council Planning Officer in every Council shall compile and maintain a record showing all receipts and disbursements on a monthly basis in respect of every project under this Act and shall submit annual returns to the Minister not later than sixty days after the end of every financial year.

(2) The Council Planning Officer in every Council shall make such interim returns as the Constituency Development Catalyst Committee shall, by resolution, deem necessary in order to facilitate the release of the next instalment of funds.

Community  
initiatives to  
be eligible

**18.-(1)** Projects initiated by a community under section 12(2) shall be eligible for support under this Act provided that such projects shall be submitted with other projects in conformity with the requirements of this Act.

(2) Pursuant to subsection (1), a community shall maintain the existing committee to represent the interests of that community during and after the implementation of the project and such a committee shall conform to established Government regulations during the discharge of its functions.

## PART VI TYPES OF PROJECTS

Projects to be  
community  
based.

**19.-(1)** All projects under this Act shall be community based in order to ensure that the prospective benefits are available to a widespread cross-section of the inhabitants of a particular area.

(2) All projects shall be development projects and may include costs related to studies, planning and design or other technical input for the project but shall not include recurrent costs of a facility.

(3) Funds provided under this Act shall not be used for the purpose of supporting political bodies or political activities or for supporting religious bodies or religious activities.

Description  
of projects

**20.** The description of projects to be included in the Submission List shall contain precise description of the project, status and the amount of the sums allocated as specified in the Second Schedule.

## PART VII

### FINANCE AND ADMINISTRATION

Designation of  
an accountant

**21.-(1)** Every Council Director shall designate in writing the Council Treasurer to be the accountant of each of the constituency account maintained by the Constituency Development Catalyst Committee within the Council.

(2) The Council Director shall be the Accounting Officer of the Constituency Development Catalyst Fund of every elected constituency which is situated in his area of jurisdiction.

Constituency  
account

**22.-(1)** In terms of section 5(4) and for the purposes of disbursement of funds in accordance with the provisions of this Act, there shall be opened, kept and maintained a constituency account for each constituency at such commercial bank approved by the Council's Director into which all funds shall be deposited.

(2) The bank accounts opened pursuant to subsection (1), shall be separate from that of the Council.

(3) Two signatories shall be required for every cheque or instrument for actual payment or withdrawal of

funds from a constituency account and the signing instructions shall be such that there shall be a signature of a nominee from group A and a signature of a nominee from group B as follows:

- (a) signatory group A shall be:
  - (i) the Council Director; and
  - (ii) the Council Planning Officer;
- (b) signatory group B shall be:
  - (i) the Council Treasurer; and
  - (ii) the Council Accountant.

(4) Funds from the constituency account shall only be withdrawn as disbursements for a particular project in accordance with the provisions of this Act.

(5) Each and every payment out of the constituency account shall strictly be on the basis of a minute resolution of the Constituency Development Catalyst Committee.

(6) All receipts, savings and accruals to the constituency account and the balances thereof at the end of each financial year shall be retained in the constituency account for the purposes for which the account is maintained.

(7) All unutilized funds shall remain in the constituency account and no investment elsewhere shall be permitted, provided that funds meant for a project that is cancelled or discontinued shall be returned to the CDCF.

(8) Notwithstanding any provisions of this Act, CDCF funds shall not be used for purposes other than those provided for under this Act.

Bank account  
of the Fund

Cap. 342

23.-(1) A bank account of the CDCF shall be opened and maintained at the bank established in accordance with the Banking and Financial Institutions Act.

(2) The signature of the persons specified under section 22(3) shall be mandatory on all payment cheques

and instruments intended for actual release of money from the CDCF.

Record of disbursements to be kept

**24.-(1)** An accurate record of all disbursements made for projects in each constituency shall be kept and updated every month by the Secretary of the Constituency Development Catalyst Committee.

(2) The disbursement of funds to the CDCF account shall be effected within the first six months of each financial year with an initial amount equivalent to fifty per cent of the total estimated amount for the year and the remaining fifty per cent shall be disbursed in the second half of the financial year.

(3) Where economic conditions allow, the Treasury may disburse at once the whole amount allocated for each constituency.

Financial year

**25.** The financial year of the CDCF shall be a period of twelve months ending on 30<sup>th</sup> day of June.

## PART VIII MISCELLANEOUS PROVISIONS

Regulations

**26.-(1)** The Minister may make regulations for management and smooth running of the CDCF.

(2) The Minister may, by notice in the *Gazette*, amend any of the Schedules to this Act.

Complementary to other projects

**27.-(1)** The provisions of this Act shall be complementary to any other development projects financed by the Government or any other agency to an area of a constituency and nothing in this Act shall be construed as meaning that an area may be excluded from any other development programmes by the Government or any other agency.

(2) For the avoidance of doubt, normal allocation of funds by the Government for development projects shall continue in tandem with other projects funded under this Act.

Offences and penalties

**28-(1)** Any person who misappropriates, assists or causes any person to misappropriate or apply the funds, or assets from the CDCF otherwise than in the manner provided in this Act, commits an offence.

(2) A person who is convicted for an offence under subsection (1) shall be liable to a fine not exceeding fifteen million shillings or to imprisonment for a term not exceeding five years or to both.

**FIRST SCHEDULE**

(Under section 12)

**CONSTITUENCY PROJECTS SUBMISSION LIST**

Name of Constituency ..... Financial Year .....  
 Region .....  
 District ..... Ward .....

SERIAL NUMBER	NAME OF PROJECT	COST ESTIMATES IN TSHS.
1.		
2.		
3.		
4.		
5.		
Total amount for the year .....		Tshs. ....

Name of Member of Parliament (Chairperson) ..... Signature .....  
 Name of the District Planning Officer ..... Signature .....

Date .....

**SECOND SCHEDULE**

*(Under section 20)*

**STANDARD PROJECT DESCRIPTION FORM**

(to be completed in Council Constituency Development Catalyst Committee)

Constituency .....	District.....	Region.....
Project Number .....	Project Title .....	
Status of project (tick one)	New .....	Extension .....
Rehabilitation .....	On going.....	

Brief statement on progress at time of submission

.....

.....

.....

Financial year under reference 1<sup>st</sup> July ..... to 30<sup>th</sup> June .....

Original cost estimates, in Shs..... Date .....

Person completing form:

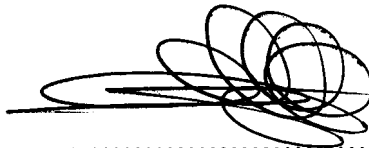
Signature .....

Name of the Secretary.....

Position.....

Date .....

Passed in the National Assembly on the 31<sup>st</sup> July, 2009.



*Clerk of the National Assembly*