



BRIEFING PAPER ON THE CONSTITUENCY DEVELOPMENT FUND (CDF) IN UGANDA

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Background

The Constituency Development Fund (CDF) in Uganda arose out of meetings between the Presidency and Members of the 7th Parliament (MPs) and the subsequent Presidential pledge to MPs that was intended to relieve them of the pressures of their constituents in regard to the promised and other development projects. The CDF was a sum of money intended for the MPs on annual basis in regard to those development projects.

The Parliamentary Commission decided to call this fund Constituency Development Fund (CDF) during the budget proposals for the Financial Year 2005/ 2006. After a presentation of a Ministerial Statement before the Legal and Parliamentary Affairs Committee, a plenary session of Parliament on 9th September 2005 adopted the proposal for a CDF. Parliament then recommended that a CDF sum of 2.95 billion shillings be earmarked for MPs and released expeditiously, according the Parliamentary *Hansard*.

Legal, Policy Framework and Guidelines for CDF

In some countries such as Kenya, India and Solomon Islands, the Constituency Development Fund has an elaborate legal framework, premised on a policy that individual MPs have no direct access to the CDF funds. The MPs only participate with their constituencies to identify the projects to be funded by an amount set for the CDF during a particular Financial Year. Both the MPs and constituents participate in monitoring the implementation of the projects under the CDF. In Kenya, the CDF is governed by the Constituencies Development Fund Act, 2003, and the Constituencies Development Fund Regulations, 2004. Both the Act and Regulations provide for structures for the prudent governance and administration of the CDF.

In the case of Uganda, there is no comprehensive law governing the management of CDF. Literature available on the CDF in Uganda has the following highlights:

- The Parliamentary Commission, on 11th October 2005, appointed a Committee of seven MPs and the Clerk to Parliament to formulate the interim guidelines/ procedures for the disbursement and accountability of the CDF for the Financial Year 2005/2006. This Committee accordingly worked out the guidelines/ procedures. The following points in the guidelines are noteworthy:
 1. That every MP has to establish a Committee of 5 people composed of him/ herself as the Chairperson, a Secretary, a Treasurer and two other members for the purpose of handling this money;

2. That the money would be released to the individual MP and the responsibility of accountability to the Accounting Officer (Clerk to Parliament) would lie with the MP;
3. That the money for the Financial Year 2005/2006 would be accounted for within 6 months while that of subsequent years would be accounted for within one year;
4. That the funds would only be used on activities that directly increase household incomes and productivity; on interventions that can trigger rapid rural transformation and economic development; and on agro-processing and marketing of produce in the respective constituencies;
5. That the money would not be used on development of infrastructure projects already under the Local Government initiatives or Central Government programmes or projects; and on political and/or religious activities.

The Clerk to Parliament released the money to the individual MP's personal accounts of the 7th Parliament in November 2005. The Clerk has since received accountabilities of the CDF from some MPs.

Uganda Debt Network (UDN) involvement in the CDF

UDN's concern is that there is no Law that governs the establishment and operation of the CDF, in view of enforcing proper accountability and prudent utilization of the public resources. Equally, the CDF seems to have been ill-constituted, thus falling short of public interest and susceptible to abuse, contrary to the 1995 Constitution of Uganda and the Public Finance and Accountability Act, 2003.

It is against this background, that UDN conducted a study on the CDF during November and December, 2006. The study involved a) Desk reviews b) Field visits to 19 districts of Kamuli, Kaliro, Namutumba, Kanungu, Bushenyi, Bugiri, Iganga, Bukedea, Amuria, Katakwi, Apac, Kumi, Kalangala, Mpigi, Rakai, Kasese, Mbarara, Kabale and Arua and involved over 3067 local officials, religious and opinion leaders, the youth, elders, teachers, health workers, community groups and ordinary citizens c) A sample of over 167 MPs, some of whom served in the 7th Parliament and others that made it to the current 8th Parliament, were interviewed. This was through both random and purposive sampling backed up by focused group discussions and in-depth interviews.

Key findings of the UDN study on the CDF

- The desk reviews indicated that the guidelines on the CDF were inadequate and, worse still, were not followed by the Members of Parliament.

- From the field visits to the different districts, the study revealed that most (over 87%) of the respondents did not have knowledge of the CDF. They, therefore, neither participated in the selection of projects nor in the utilization of the fund.
- Out of the interviews with the Members of Parliament, the majority of the respondents (73%) could not pinpoint the exact projects where the money had been spent. It was also found out that the CDF money had been banked on the MPs' personal bank accounts. Many of the MPs were further not aware of the guidelines to be followed in disbursing the money.

Key UDN Recommendations on the CDF

- The beneficiaries of the CDF in the constituencies should be involved in the selection and planning of the projects, so that they can participate in project implementation, monitoring and evaluation. The chosen projects should be submitted and explained by the MPs to the Local Governments' planning committees, to ensure there is no duplication of the projects funded by the government.
- Whenever CDF money is disbursed, it should be publicized to create citizens' awareness and participation in the utilization and accountability of the fund. The CDF money should not be banked on the MPs' personal accounts or mixed with their other emoluments, but be banked on a separate account of Local Governments where the Chief Administrative Officers should be part of the CDF management.
- The Clerk to Parliament should work closely with the Chief Administrative Officers to ascertain the existence of a credible Constituency Committee to oversee the management of the Constituency Development Fund.
- The CDF accountability and auditing procedures should be a function of the Clerk to Parliament and the Auditor General, respectively.
- The CDF should not simply be paid towards the end of any Presidential/ Parliamentary term and or impending elections to avoid a risk of exploiting the fund for personal political gain.

Conclusion

Uganda Debt Network implores Parliament to enact a comprehensive Law, Regulations and Guidelines aligned to the 1995 Constitution of Uganda and the Public Finance and Accountability Act, 2003. This will support the enforcement mechanism, governance and management for the prudent utilization of the CDF, to benefit the Ugandan citizenry, especially the poor and marginalized, as well as foster equitable national development.