

## Helpdesk Research Report

# Working with members of parliament's constituency funds

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### Question

*We would like to know whether any donors have attempted to work with/leverage MP constituency funds for developmental outcomes. We would like to know which donors in what countries, what successes and what failures have been documented. If available we would be interested in evidence on why those efforts succeeded/failed.*

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### 1. Overview

Constituency Development Funds (CDF)<sup>1</sup> are funding arrangements which 'send funds from the central government to each constituency for expenditure on development projects intended to address particular local needs' (Hickey, 2010, p.1). CDFs are largely nationally or locally designed, funded, and implemented.

This rapid literature review found almost no **literature** that documents or evaluates donor relationships with CDFs, and it found only two examples of donors directly engaging with CDFs. While there is general literature on CDFs, only a very small amount of this mentions donors and other international actors. The

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<sup>1</sup> They can also be called 'pork barrel' (a USA term), 'electoral development funds' (in Papua New Guinea), Constituency Development Grant (in Bhutan), and others (Baskin, 2010).

majority of this general literature critiques the use of CDFs – with analysis at the macro level, and at the case study level. In a scoping study of CDFs, Hickey Tshangana (2010, p.2) identifies one of the key critiques of CDFs as the lack of public access to information, with ‘little academic research... [and] only a handful of studies/surveys on their impact’.

The **key points** from this rapid literature review include:

- CDFs are a relatively **recent phenomenon** (with most being established from the 2000s onwards),<sup>2</sup> and they are relatively few in number (Barkan & Mattes, forthcoming). As a result, little is known about them.
- **Countries** that have used CDFs include: South Sudan; Philippines; Honduras; Nepal; Pakistan; Jamaica; Solomon Islands; Tanzania; Malawi; Namibia; Zambia; Uganda; Ghana; Malaysia; India; Bhutan; and Papua New Guinea.
- **CDFs** are largely **nationally or locally designed**, funded, and implemented.
- Only **three examples** were found of **donors directly engaging with CDFs**, and there are no evaluations of the successes or failures of these examples of engagement:
  1. The Republic of China (Taiwan) provides funds for the Solomon Islands’ CDFs.
  2. The German Embassy in Tanzania has directly discussed its opposition to CDFs with the Tanzanian government.
  3. Donors and national and international NGOs influenced the passage of Tanzania’s CDF legislation through parliament, as well as its eventual design.
- There is some evidence that **donors indirectly engage with CDFs** by funding foundations, non-governmental organisations (NGOs), or civil society organisations (CSOs) that carry out: academic and policy research; and advocacy campaigns around CDFs.
- Some donors **collaborate with academic and policy researchers** on CDFs.
- **Perceptions of CDFs** vary. They are generally unpopular with donors, and with some CSOs in country. However, in the countries that use them, they tend to be popular with governments, members of parliament, and citizens. The arguments for and against CDFs can be used as proxies to understand why donors do not tend to like or engage with CDFs, and also why they tend to be popular domestically:
  - **Arguments in favour** of CDFs, tend to highlight the following: improving the relationships between the constituency and members of parliament; and improving local control over priorities and budgets.
  - **Arguments against** CDFs, tend to highlight the following: undermining of accountability and governance systems; and low levels of participation. They also raise concerns about the practical issues of implementing CDFs effectively.

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<sup>2</sup> With the first started in 1985 in Pakistan (International Budget Partnership, 2010).

## 2. Defining Constituency Development Funds

There are many different forms and approaches to CDFs. Hickey Tshangana (2010, p.3) identifies the following **common CDF features** (which differentiate CDFs from other decentralisation initiatives or community-based development programmes):

- 'Funds are raised by national government and disbursed at local level.
- Funds are allocated per constituency and MPs have some degree of control over the spending.
- Funds are intended for development projects which reflect localized needs and preferences'.

The use and performance of CDFs varies significantly across countries. Hickey Tshangana (2010, p.3) identifies the following list of **CDF features that vary**:

- '[Amount] of funding available per constituency;
- Method for allocating funds between constituencies (degree of targeting);
- Legislative framework;
- Governance: institutions and systems used to select, implement and monitor projects;
- Checks on corruption;
- Public access to information;
- Community participation in project prioritization'.

## 3. Countries with CDFs

Countries that have used CDFs include: South Sudan; Philippines; Honduras; Nepal; Pakistan; Jamaica; Solomon Islands; Tanzania; Malawi; Namibia; Zambia; Uganda; Ghana; Malaysia; India; Bhutan; and Papua New Guinea (Hickey Tshangana, 2010, p.1; Center for International Development, 2009). CDFs are largely nationally or locally designed, funded, and implemented. CDFs are a recent phenomenon with three existing in 1990, a number that increased to 19 by 2010 (Baskin, 2010).

## 4. International actors and CDFs

### *Direct donor engagement with CDFs*

The literature uncovered during this rapid literature review found very few mentions of donors in relation to CDFs. Hickey Tshangana (2010, p.17) comments that donors largely 'have more concerns than confidence' in CDFs. Baskin (2010) argues that the donor community's dislike for CDFs is driven by an ideal-type vision of development and the state, where development is driven by a central government resembling that of donor countries.

Only **three examples** were found of donors directly engaging with CDFs – these examples have very limited information, with no evaluations of the success or failure of this engagement:

1. The Republic of China (Taiwan)'s provision of funds for the Solomon Islands' CDFs,<sup>3</sup> – the government reports this to be SB\$20 million (Solomon Island dollars) annually.<sup>4</sup>
2. The German Embassy in Tanzania's direct discussions with the Tanzanian government – the German embassy opposed Tanzania's CDFs (Hickey Tshangana, 2010).
3. Hickey Tshangana (2010) reports that donors and national and international NGOs influenced the passage of Tanzania's CDF legislation through parliament, as well as its eventual design. The CDF legislative act originally proposed that the CDFs be funded through general budget support. However, following donor opposition to the using of budget support for this, the government decided to fund them via local sources (ibid). Hickey Tshangana (2010) identifies this as 'one of the reasons' why the act was not passed in 2007. It was eventually passed in 2009.

### ***Advocacy work and influencing CDFs – indirect donor engagement***

Hickey Tshangana (2010) explains that in Kenya donors have taken an indirect approach to engaging with CDFs by funding grantees carrying out public participation programmes around CDFs. For example, the Ford Foundation's Office for Eastern Africa supports NGOs and community based projects doing advocacy around CDFs (ibid).

### ***Collaborating with academic and policy research***

The **State University of New York's Center for International Development (SUNY/CID)** has a programme which researches CDFs. The programme works with diverse actors to help develop guidelines and principles, and is commissioning case studies and other research. It has no priori position on the value of CDFs. It works with the Commonwealth Parliamentary Association (CPA), the World Bank, the National Democratic Institute, UNDP, the Parliamentary Network of the World Bank, the International Budget Project and individuals from parliaments in developing a good governance framework for CDFs (Baskin, 2010).<sup>5</sup>

SUNY/CID hosted a workshop on CDFs in 2009. The event report identifies that CDFs are considered controversial in donor communities 'because they raise fundamental questions about democratic theory, the efficacy of government service delivery, the extent to which such service delivery can be made accountable, the role of legislators in selecting development priorities, and how public participation in policy making can be made more meaningful' (SUNY/CID, 2009, p.1).

In recognition of the risks and limitations of CDFs, another workshop hosted by the Jamaican branch of the Commonwealth Parliamentary Association led to the development of a set of principles and guidelines, which aim to improve CDFs': (1) responsiveness; (2) transparency; (3) administration and management; (4) accountability and oversight; (5) monitoring and evaluation (Commonwealth Parliamentary Association, 2011). To help members of parliament implement these principles and guidelines, a workshop in 2012 led to the overall design of a 'CDF toolbox',<sup>6</sup> a set of 'participation templates',<sup>7</sup> and a public participation tool.<sup>8</sup>

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<sup>3</sup> For extensive information about constituency development funds in Solomon Islands, see Solomon Islands' Parliament, Hansard, August 29, 2008, available at

[http://www.parliament.gov.sb/files/hansard/8th\\_session/8th\\_meeting/Hansard-29.08.08.pdf](http://www.parliament.gov.sb/files/hansard/8th_session/8th_meeting/Hansard-29.08.08.pdf).

<sup>4</sup> See - <http://www.pmc.gov.sb/content/taiwan-releases-constituency-development-funds>

<sup>5</sup> See - [http://www.cid.suny.edu/newsroom/news2013/newsroom\\_2013\\_CDFs.cfm](http://www.cid.suny.edu/newsroom/news2013/newsroom_2013_CDFs.cfm)

<sup>6</sup> See - [http://www.cid.suny.edu/publications1/CDFs\\_Toolbox.pdf](http://www.cid.suny.edu/publications1/CDFs_Toolbox.pdf)

<sup>7</sup> See - [http://www.cid.suny.edu/publications1/CDFs\\_AppendixA\\_Templates.pdf](http://www.cid.suny.edu/publications1/CDFs_AppendixA_Templates.pdf)

<sup>8</sup> See - [http://www.cid.suny.edu/publications1/CDFs\\_PublicParticipationTool.pdf](http://www.cid.suny.edu/publications1/CDFs_PublicParticipationTool.pdf)

Another group of academics and policy researchers have produced work on CDFs through the International Budget Partnership. These authors tend to take a more critical view of CDFs (e.g. van Zyl, 2010).<sup>9</sup>

### ***Donors funding CDFs?***

This rapid literature review found almost no specific details of donors funding CDFs. One exception is the Solomon Islands,<sup>10</sup> which receives aid from the Republic of China (Taiwan) for its CDFs – the government reports this to be SB\$20 million (Solomon Island dollars) annually.<sup>11</sup>

Hickey Tshangana (2010, p.13) notes that the source of funding for CDFs is not always clear – so it is not known if the source is donor funding. Members of parliament in Tanzania specifically said that its CDFs would be funded locally, and not by donors (IBP, 2010, p.6). However, a few publications suggest in passing that some CDF funding may come from donor sources (e.g. CPA & SUNY/CID, 2011, p.6).

### ***Other international actors - civil society organisations (CSOs)***

Civil society organisations have been actively engaged in advocacy and research work around CDFs. The national and international NGOs that opposed the CDF legislation in Tanzania acted through the 'Policy Forum' coalition (including e.g.: Action Aid, Norwegian People's Aid, Oxfam-Great Britain, Save the Children, etc.) (Hickey Tshangana, 2010, p.17). The arguments they stated against the Act included: CDFs would compromise the independence of parliament and undermine parliament's oversight of the executive; and CDFs would create a parallel system to local government (ibid).

Other examples include:

- In **Kenya**, The Collaborative Centre for Gender and Development, Kikuyus For Change, and the Social and Public Accountability Network (SPAN) (made up of a group of CSOs) have suggested ways to improve CDFs in Kenya (Hickey Tshangana, 2010). The National Anti-Corruption Campaign Steering Committee released a study on corruption and CDFs in Kenya (ibid). Muslims for Human Rights (MUHURI) undertook a social audit and a subsequent open public hearing in Kenya's southern 'Coast Province' to investigate CDF expenditure and performance (Hickey Tshangana, 2010). Following this, the Open Society Institute for East Africa (OSIEA) made a guide for communities that explains how to carry out a social audit of CDF projects (ibid).
- In **Uganda**, the Uganda Debt Network and the Africa Leadership Institute have published reports and made suggestions of how to improve CDFs.

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<sup>9</sup> Other examples include these blogs: <http://internationalbudget.org/blog/2010/08/12/constituency-development-funds-african-parliaments-faustian-bargain/> ; <http://internationalbudget.org/blog/2014/02/24/constituency-development-funds-are-a-massive-misunderstanding/> ; <http://internationalbudget.org/wp-content/uploads/2011/04/brief12.pdf>

<sup>10</sup> For extensive information about constituency development funds in Solomon Islands, see Solomon Islands' Parliament, Hansard, August 29, 2008, available at: [http://www.parliament.gov.sb/files/hansard/8th\\_session/8th\\_meeting/Hansard-29.08.08.pdf](http://www.parliament.gov.sb/files/hansard/8th_session/8th_meeting/Hansard-29.08.08.pdf).

<sup>11</sup> See - <http://www.pmc.gov.sb/content/taiwan-releases-constituency-development-funds>

- In **Tanzania**, opposition to CDF was provided by the network The Policy Forum (formed of 96 CSO) in coalition with international organisations, and teachers and students unions (Hickey Tshangana, 2010). Activities included: advocacy campaigns, raising awareness, and research.
- In **Pakistan**, CSOs including the Omar Asghar Khan Foundation have made suggestions about how to improve CDFs.

## 5. Arguments in favour of and against CDFs

There is little **evaluative information about CDFs**. For example, Hickey Tshangana (2010, p.19) notes that ‘as yet we have no research telling us whether CDF schemes actually make a difference on the ground in terms of development indicators’.

However, there is information about **perceptions of CDFs** – and these vary between different actors. On the one hand, they are generally unpopular with donors, and with some CSOs in country (CPA & SUNY/CID, 2011). On the other hand, in the countries that use them, they tend to be popular with governments, members of parliament, and citizens (Hickey Tshangana, 2010; Barkan & Mattes, forthcoming).

In light of there being no literature evaluating the successes or failures of donor engagement with CDFs, the arguments for and against CDFs are presented here as proxies to understand why donors do not tend to like to engage with CDFs, and also to understand why CDFs tend to be popular domestically.

### *Arguments in favour of CDFs*

The arguments in favour of CDFs include (Hickey Tshangana, 2010)<sup>12</sup>:

- To strengthen relationships between constituents, elected representatives, and decentralised administrators;
- To reduce the control of centralised technocrats;
- To bypass the government’s bureaucratic processes;
- To decide on, and spend, development funds locally;
- To increase citizen control of local policy initiatives.

### *Arguments against CDFs*

The International Budget Partnership (IBP) has led an international advocacy campaign on CDFs, as a result of civil society concerns (IBP, 2010). The campaign has two broad goals: (1) to reform CDFs in countries where they already exist; and (2) to stop more CDFs from being set up (ibid). An IBP (2010) e-newsletter identifies that a number of its CSO partners are involved in campaigns against CDFs.

The broad criticisms of CDFs include (Hickey Tshangana, 2010; van Zyl, 2010; IBP, 2010, p.4):<sup>13</sup>

#### **Accountability and governance issues:**

- the violation of the separation of powers between the legislature and the executive;
- the effect of the CDF on the performance of the legislature, particularly in its oversight function;
- the lack of oversight of CDFs;

<sup>12</sup> See - [http://www.cid.suny.edu/newsroom/news2013/newsroom\\_2013\\_CDFs.cfm](http://www.cid.suny.edu/newsroom/news2013/newsroom_2013_CDFs.cfm)

<sup>13</sup> See - [http://www.cid.suny.edu/newsroom/news2013/newsroom\\_2013\\_CDFs.cfm](http://www.cid.suny.edu/newsroom/news2013/newsroom_2013_CDFs.cfm)

- the politicisation of development due to legislators controlling the administration of development funds;
- the use of funds for patronage purposes;
- the strengthening of in-egalitarian social hierarchies;
- CDF corruption and mismanagement;
- development expenditure in the absence of coherent, long-term planning (Hickey Tshangana, 2010)

**Participatory issues:**

- If the process to select priorities is not participatory, this can undermine the benefit of locally decided priorities (Hickey Tshangana, 2010);
- Selection of non-priority projects due to MP influence (Hickey Tshangana, 2010).

**Practical issues:**

- There is little comparative data on design and practical impacts of CDFs (Hickey Tshangana, 2010);
- It establishes parallel systems at the district level, however while the workload of district officials may increase, additional funding for these officials may not (e.g. in Tanzania) (IBP, 2010, p.6);

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## Key websites

- State University of New York's Center for International Development - Project update: Constituency Development Funds: [http://www.cid.suny.edu/newsroom/news2013/newsroom\\_2013\\_CDFs.cfm](http://www.cid.suny.edu/newsroom/news2013/newsroom_2013_CDFs.cfm)
- International Budget Partnership - Constituency Development Funds: <http://internationalbudget.org/what-we-do/major-ibp-initiatives/learning-program/cross-national-research-advocacy/cdf/>

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## About this report

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