

## **Performance of the Constituency Development Catalyst Fund in Kishapu Constituency in Shinyanga Region, Tanzania**

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### **ABSTRACT**

*This study was conducted in Kishapu district in the year 2015 to assess the performance of development catalyst funds. Specifically the study intended to identify Constituency Development Catalyst Fund (CDTF) projects and to examine the performance of the CDCF projects. The study sampled 116 respondents and used questionnaire, focused group discussion and interview schedule to collect data. Data were analyzed through descriptive and inferential statistics using Statistical Package of Social Science (SPSS) and STATA. Results showed that, a number of projects were funded by CDCF. In general, the study found good performance of Constituency development catalyst Funds. The study, therefore recommended that local community should be involved in identification of the projects and also funds should be focused on few and big projects that bring tangible impact in reducing poverty.*

**Keywords:** Catalyst, Development Fund

### **1.0 INTRODUCTION**

Worldwide, Constituency Development Fund (CDF) is a government budget allocation mechanism that channels a specific portion of the national budget to the constituencies of Member of Parliaments (MPs) to finance local small-scale development projects such as the construction of school facilities, health clinics and water supply systems (Policy Forum 2009) cited in Tsubura, (2013).

Constituency Development Funds (CDFs) are found in 23 countries worldwide. CDFs channel funds from central government through to each constituency to spend on development projects intended to address local needs. Although CDFs

operate differently in each context, one core defining feature is that constituency legislators have some influence over how the funds are spent in their area (Lawson, 2012). The practice was first adopted in India, but gained prominence when Kenya established a CDF in 2003. Based on the perceived success of the Kenya model and various political and historical drivers, the trend has spread to other African countries and across the world in recent years. Some of the countries which have adopted a Constituency Development Fund includes; India, Malaysia, Philippines, Nepal, Pakistan, Jamaica, Tanzania, Malawi, Namibia, Zambia, Uganda and Ghana (Tshangana, 2010).

The major argument in favour of CDFs is that they skirt bureaucratic hassles which weaken the efficiency and effectiveness of the usual government development programmes. Theoretically, by sending funds directly to constituency level and enabling communities to identify their own local development priorities, funds are spent faster, and spent on the right things. Those supporting CDFs believe it is a vital and innovative means to achieve tangible development outcomes at a grassroots level (Tshangana, 2010).

The majority of positive experiences of CDF and cases demonstrating better use of funds were in constituencies where transparency and participation were key elements of the CDF process (Lawson, 2012). Some constituencies which have been performing well in terms of the CDFs funded projects have been significant in changing people's lives in their constituencies. In Jamaica, Philippine and India, CDF has funded a number of buildings and community centers as strategic locations to facilitate the training of unemployed and unskilled individuals in a number of disciplines, strengthening the presidential control over public resources and funding local development community projects based on the locally felt needs. In Kenya and Uganda, CDFs has shown good performance in funding local community projects through supporting primary school assistance that empower quality of education, road maintenance, rural electrification, water supply, health services and other poverty reduction activities at community level. Initiation of these types of projects is clearly stipulated under the CDF Act. For instance, Part IV Section 21 (1) of the Act states that, "projects shall be community based in order to ensure that the prospective benefits are available to a wide cross section of the inhabitants of a particular area (Kariuki, 2013).

Constituency development catalyst fund is a decentralized fund which was established by the Tanzanian government based on the belief that, local level

government has a better understanding of community needs. Since its establishment in 2009, various funds have been allocated for community based projects.

In Tanzania, the local name of the Constituency Development Fund is called Constituency Development Catalyst Fund. 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 percent shall be allocated equally to each constituency; and (b) seventy-five percent shall be allocated based on the following attributes (i) forty-five percent in relation to the population of people living in a constituency; (ii) twenty percent in relation to the poverty margin (iii) ten percent in relation to the size of the geographical area of a constituency. The Constituency Development Catalyst Fund (CDCF) is the latest local funding mechanism in Tanzania, which intended to provide people with an opportunity to make local development expenditure choices (URT, 2009). Also, The Act of 2009 explains that, in the process of implementing CDCF projects, there must be a committee in each constituency. Despite the presence of CDCF committee to receive and scrutinize project proposals, to approve or disapprove project proposal of development projects undertaken in the constituency, there is no specific guideline to which project should be funded, rather the committee has deliberate power to choose project no matter how beneficial is to the community.

In Kishapu constituency, CDCF started actively in 2010 and has been implemented by supporting small community based projects like, youth income generating activity, farmers and in educational matters as it is expected to be the faster means of reaching community at grass root level by reducing bureaucracy and support the poverty reduction activities to the community.

## **2.0 METHODOLOGY**

The study was conducted in Kishapu constituency in Shinyanga region. Kishapu district council was found to be convenient because for four years the financial audit report indicated Kishapu to perform very poor compared to others (Utouh, 2012). The sample size comprised of 116 respondents where Simple random sampling technique was used to select beneficiaries and purposive sampling was employed to select key informants. Three types of data collection methods were used namely, structured interview using a questionnaire, focus group discussion (FGD) and documentary review. While the interview method were employed to

search for the primary information, focus group discussion was also used to get information which was not easily captured by interview and this was done in a group of 7-10 participants in which a developed guidelines helped to lead the discussion and the documentary review was for supplementing and cementing what have been gathered at the field. Statistical Package for Social Science (SPSS Version 11.5) was used descriptive statistical analysis. In inferential statistics (paired samples test) was to compared average income before and receiving the fund among study participants. This was done using STATA version 12 software.

### 3.0 RESULTS AND DISCUSSION

#### 3.1 Fund Allocation for Fiscal Year 2010/2011 – 2014/2015

The CDCF Act 2009 18 (1) stipulates that projects to be funded are those initiated by the community and be submitted to the CDCF committee. Also, should be projects which the beneficiaries are the inhabitants of a particular area. Table 1 indicates that the projects had spent a total of TZSH 244,591,000 to the community based projects in the constituency.

The amount allocated in Kishapu constituency increased over years from TZSH 36,000,000 in fiscal year 2010/2011 to TSH 55,152,000 (Table 1). The increase in the amount of funds allocated shows the Government commitment to meet its development target through decentralized funds. However, in last two fiscal years, 2013/2014 and 2014/2015 the amount remained constant without an increase .This may be due to budget constraints, which does not wear out the government commitment. These results are similar to Nyangena *et al.* (2010) who found that since the inception of CDF in Kenya there was an increase in funds allocated to support community based projects in five years of operation.

**Table 1: Fund allocation for fiscal year 2010/2011 to 2014/2015**

<b>Fiscal Years</b>	<b>Amount Received in TZSH</b>
2010/2011	36,000,000
2011/2012	43,000,000
2012/2013	55,287,000
2013/2014	55,152,000
2014/2015	55,152,000
<b>Total</b>	<b>244,591,000</b>

### 3.2 Projects Implemented by CDCF

Since the establishment of the CDCF in Kishapu constituency, Kishapu has facilitated the implementation of different development projects at different levels and at different sectors.

Table 2 shows the distribution of projects implemented by CDCF in Kishapu; after respondent's responses to the question that inquired them to mention projects implemented in the area. The results in Table 2 reveal that 71% of the respondents mentioned motorcycle projects, which means that funds allocated to CDCF were used effectively in community projects especially motorcycle project compared to education sector in which only 17% of the respondents mentioned. This implies that since the majority of the population in the area are self-employed in small business, they would prefer and accept any project relating to income generating activity than educational projects. This is because it provides employment to them and also, the majority had a chance to utilize the opportunity so as to increase their income. However, in other constituencies it was found that education and health were given priority in the implementation of CDCF. For example, Nyangena *et al.* (2010) explained that, in Gatanga constituency in Kenya, education was the highly funded project by CDF.

**Table 2: CDCF projects implemented**

<b>Project</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Distribution of Motorcycles	82	70.67
Health	76	68.10
Other projects	66	56.90
Maintenance of Roads	31	26.72
Environmental issues and agriculture	28	24.14
Education	20	17.24

*NB: Multiple response analysis*

The Constituency Development Catalyst Fund has supported a number of micro projects in Kishapu Constituency of different types and kind as shown in Table 2. The beneficiaries are community in groups which includes youth, farmers and elders groups. Institutions like schools, dispensaries and health centers also individuals are among of the beneficiaries.

### **3.3 Performance of the Constituency Development Catalyst Fund (CDCF)**

Since the primary objective of the CDCF was to fight poverty through implementing community based project at local level, the third specific objective of this study sought to examine the performance of CDCF in Kishapu constituency. To address this objective, the respondents were asked to explain the performance status of the implemented CDCF projects and also, the objective was addressed by analyzing whether there is significance different in respondents income before involved in project and after project.

#### **3.3.1 Youth empowerment (motorcycle)**

A popular project implemented by CDCF funds in Kishapu constituency was the motorcycle (*Bodaboda*) to youths. As indicated in Table 2 that about 71% of the respondents mentioned as a project been implemented by CDCF. And a total of 42 motorcycles have been distributed to youth in 10 wards out of 16 wards which were targeted. The beneficiaries were supposed to repay the cost of a loaned motorcycle in a maximum of one year without any interest (District Reports, 2015). According to the respondents in Kishapu, the project has helped them a lot and those who managed to get motorcycle have improved their life, said by one participant of FGD in Mhunze village, who is now having the second motorcycle as a profit from the loaned one by CDCF. This means that implementing youth project in the area help to reduce idleness of youth which comprises large percent of the population and helps them to be responsible to their families. Also, implementing youth projects reduces the problem of unemployment to the country and improving life of youth and the community in general. The CDCF has invested in youth income generating activities because youths are the productive group and are many (URT, 2013). The results concur to those of Francis *et al.* (2009), who found that the majority of the respondent were able to identify at least one project targeting youth in the constituency, also, found CDCF supported youth through helping in vocational training to pursue several courses and to learn life skills. Also, these results agree to findings by Ochieng *et al.*(2012) how found that through implementing different projects funded by CDCF youth situation has been uplifted.

### **3.3.2 Health sector**

It is clear from Table 2 that, 68% of the respondents agreed that CDCF has supported health sector. It has supported in building of dispensaries and health centers by providing cements. Out of 18 targeted wards, CDCF supported 12 health centers with a minimum of 40 bags of cement and maximum of 120 bags of cement in 12 wards that already had projects for building health center. Furthermore, a total of 23 dispensaries were provided with cement bags ranging from 20 bags to 112 bags per projects (District Reports, 2015). This implies that CDCF is one of the instruments to bring development to the community through implementing community based projects. Also, with proper use, it can improve health centers and dispensaries in the constituency. Supporting health sector directly, it helps poor people in the community to access health services through reducing the burden of walking long distance to find for health services.

These results relate to what Auyo and Oino (2013) reported who found that there was an improvement in health services and increase in number of health centers supported by CDF in North Mugirango. The findings are also similar to those of Mohamed (2012) who explained that CDF supported health sector by supporting hospital equipments which ensured the availability of health services and improve the health of the constituents in the area.

However, some of the supports given to health centers were not utilized as intended. This was influenced by centralization of project identification and poor prioritization of project. This resulted into poor utilization when funds are received. For example, one participant from Idukilo had the following to say;

*“Yes, we need health center and is a good project but for me currently water could be the best priority”.*

### **3.3.3 Roads**

It can be seen from Table 2 that, 26% of the respondents reported that CDCF also had funded the construction of roads in the study area where a total of TZSH 8.7 million were used for construction of the roads of about 16.2 km from Idukilo to Maganzo village and maintenance of roads within the Maganzo Township. Despite the effort made by CDCF, the road of 15.5km to Mwashinonghela village was not repaired as it was targeted, this is because, in utilization of funds there was delays in disbursement of received funds and most of the received funds were

not utilized in time due to weak legal and institutional framework for accounting CDCF funds. Funding these roads aimed at making communication and transportation of agricultural produce easy and cheap; and benefits the producers in villages. Also increase efficiency in transportation and communication through which the community well-being improves. The findings comply with results by Mohamed (2012) who found that CDCF were used to maintain many roads that were neglected before. This helped constituents to transport their agricultural produce to market center.

### **3.3.4 Environment and agriculture**

Table 2 indicate that 24% of the respondents reported that CDCF had supported in environmental and agricultural issues in which a total of TZSH 2,602,000 were given in environmental issues and agriculture. For example, SIKIKA Group dealing with environmental issues received a contribution of TZSH 602,000 to support their activities of forest conservation in Mhunze village and the remaining TZSH 2 million were used to support excavation of trench for rice irrigation and excavation of pond/ bore holes to harvest water for livestock in Bulekela and Talaga. Also, farmer's group was given TZSH 19 million out TZSH 34 million require to purchase tractor (District Reports, 2015).

Since agriculture is the backbone of our economy and most Tanzanians are involved in farming activities the implication is that funding agriculture helps to increase productivity, ensure food security and reduce poverty to the community in a particular area through improving farming and animal keeping activity. This finding concur to that of Muleba (2012) that in the agricultural project of shedding market in Chibombo was one of the project identified and implemented by CDF funds as a means of helping community at grassroots level.

### **3.3.5 Education sector**

Findings in Table 2 indicate that, 17% of the respondents revealed that, CDCF has supported educational matters. For example a total of TZSH 11.85 million were used to support different primary and secondary schools in Kishapu. Songwa secondary school for instance was given TZSH 1.5 million for school electrification and TZSH 1 million were given to Mhunze primary school for pit latrines construction. However, the CDCF had little focus in educational matters. This is due to the lack of guidelines that addresses how to allocate funds to the



community projects and small budget being allocated as a CDCF in the constituency. The implication is that supporting education matters reduces the burden to the community to contribute for school maintenance and also improves the teaching and learning environment to both teachers and students. Similar results were observed in North Mugirango, that CDF funds supported construction of classroom and books which helped to improve student's performance, solve challenges in schools and make comfortable learning and teaching environment to both students and teachers (Auyo and Oino, 2013).

In additional, related results were found in the study by Mohamed(2012) who reported that, among the implemented projects by CDF in Gatanga was support to education sector which later led schools to be properly equipped in terms of facilities, construction and rehabilitation of dormitories and fencing.

### **3.3.6 Other projects implemented**

Among the other projects supported by CDCF funds in Kishapu were constructions of graveyard fence in Maganzo and Mhunze villages by giving them TZSH 2 million each. Also, the CDCF supported People Living with HIV (PLWHIV) in Mhunze village with 2 million to support their diet through NGO – known as HONCET. Moreover, a total of TZSH 20 million were distributed to 20 groups of elders in the constituent. About 57% of the respondents agreed they received that support from CDCF. This signifies that, CDCF is for community and is implemented to all groups. HIV campaign is one of the crosscutting issues that need every stakeholder to participate for making health and happy society. Also, through supporting them it helps to improve their health status and even their working ability. These results corroborate earlier findings by Ochieng *et al.* (2012) who found that through campaign which was funded by CDF, the awareness of community on HIV transition and prevention were increasing.

### **3.4 Effects on Income**

It is evident from Table 3 that on average individuals monthly income before project was significantly lower than that after project ( $t = -15.947$ ,  $P = 0.000$ ). While on average individual monthly income before the project was TZSH 63,820, the corresponding average monthly income after project was TZSH 131,312.

Despite the insufficient funds and few projects being implemented, the CDCF Motorcycle beneficiaries mentioned that the project had benefited them mainly in two areas; first, they now fully own motorcycle and second, they have job that increases their income. The results concur with the findings by Mohamed (2012) who reported that in Kenya CDF had financed a number of income generating activities, including the talented academy which was given funds as group to finance their studio project aimed at increasing income to youths. Studios helped them in selling their music and employ themselves.

**Table 3: Paired samples statistics on individual income**

	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error Mean</b>
<b>Income before</b>	63819.6721	9870.00202	1263.72426
<b>Income after</b>	131311.5082	33614.12320	4303.84746

t = -15.947 df = 60, P = 0.000

## **4.0 CONCLUSION AND RECOMMENDATIONS**

### **4.1 Conclusion**

CDCF is a fiscal tool expected to have profound positive impact on development at grass root level and advancing welfare of the people through the implementation of community based projects. The study was set to identify the number of implemented projects and the results revealed that there were a good number of projects identified and implemented, in which both individuals, groups and institutions were the beneficiaries from Constituency Development Catalyst Funds in Kishapu constituency.

Study further revealed that, in five years of implementation, the CDCF funds have moderate performance, especially in terms of the number of projects implemented. The allocated funds to the constituency were distributed to the community to implement the identified projects as intended and have demonstrated a significant change of income after projects to beneficiaries in the study area; this was expressed in terms of income from income generating activities funded by CDCF

## 4.2 Recommendations

The constituency development catalyst fund has become a popular development initiative which if well managed has great impact in boosting development at grass root level around the country. The most benefit of Constituency Development Catalyst Fund is that it reaches all parts of the country since is distributed in each constituency. The practices over these five years of implementation have shown that, CDCF has some weaknesses, which if not addressed seriously will affect negatively the performance of the CDCF projects. This includes;

- According to the policy, projects should be identified by the community, but from the study, projects have been identified by the committee which affects also the performance of CDCF identified projects.
- Also, CDCF committee should comply with the Act and regulations to ensure Transparency and accountability, especially, in processing and awarding projects. This will reduce negative attitude towards CDCF Committee and improve performance of the CDCF projects. Also, since the budget allocated in each year to the constituency is not enough to finance all projects, it is better the committee to select few implementable projects that will bring tangible impacts in the society and be felt by the society.
- Furthermore, to improve performance of the Constituency development catalyst fund, there is a need for government to conduct training for councilors, CDCF committees, community leaders and constituency staff for efficient and effective management which will help to have common understanding among actors.

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