



**GOVERNMENT OF THE REPUBLIC OF ZAMBIA
MINISTRY OF LOCAL GOVERNMENT AND HOUSING**

MINISTERIAL STATEMENT

BY

**HON. DR. JOHN. J. N PHIRI, MP
MINISTER OF LOCAL GOVERNMENT AND HOUSING**

**ON THE
DISBURSEMENT OF 2014 CONSTITUENCY DEVELOPMENT FUND (CDF)**

26TH JUNE, 2015

MINISTERIAL STATEMENT TO PARLIAMENT BY THE MINISTER OF LOCAL GOVERNMENT AND HOUSING ON THE DISBURSEMENT OF 2014 CDF

Mr. Speaker,

In 1995 Zambia established a Constituency Development Fund, a fund granted to Constituencies to support micro-community projects, as part of a wider decentralization and local development policy. The community based projects funded under the CDF are meant to serve community needs in the Constituencies and to have long term positive effects on people's well-being.

Mr. Speaker, from a paltry Ten thousand Kwacha (K10,000) in 1995 CDF has increased over the years to One Million Four Hundred Thousand Kwacha. (K1,400,000) per Constituency. This growth can be attributed to mainly to the foresight of the Patriotic Front Government.

Mr. Speaker, CDF has generally performed well and has been appreciated by local communities as it is the only fund that is sourced easily by our people and therefore appreciated as it helps them acquire infrastructure which would be difficult to acquire. However, there are always demands for the CDF to have effective guidelines, tighter controls and oversight. It is for this reason that my Ministry in 1998 developed CDF guidelines on the management and utilisation of CDF. The guidelines were again revised in 2001 and 2006 to take into account concerns raised by stakeholders on the management of CDF. Mr Speaker I will lay the 2006 revised guidelines on the table of the House. Currently my Ministry is revising the 2006 CDF guidelines to bring them in tandem with the existing policies and the focus of which is on strengthening decentralization processes and ensuring that the national development agenda incorporates sub-level development priorities. The review is also to make the use of CDF more accountable to stakeholders.

Mr Speaker, I now turn my attention to the disbursement of the 2014 CDF. The Government has disbursed a total of One Hundred and Fifty Six Million Eight Hundred Thousand Kwacha (K156, 800,000) to One Hundred and Twelve 112 Constituencies as 2014 CDF allocation. The names of the 112 Constituencies are contained in the document I will lay on the Table of this House which also shows the disbursement made as follows:

Date	Number of Constituencies funded	Amount (K)
14.04.2014	18	25,200,000
22.07.2014	29	40,600,000
22.10.2014	25	35,000,000
06.11.2014	2	2,800,000
22.12.2014	18	25,200,000
06.01.2015	5	7,000,000
14.04.2015	15	21,000,000
TOTAL	112	156,800,000

Thirty Eight (38) constituencies are yet to receive the 2014 CDF allocation and similarly, I will lay the on Table of the House the document containing these constituencies. However, out of the thirty eight (38) constituencies which have not received the 2014 CDF allocation, my Ministry has requested Ministry of Finance to release CDF to eight (8) constituencies which have successfully utilised the 2013 CDF allocation. These are Kankoyo, Katuba, Keembe, Chawama, Mandevu, Isoka, Livingstone and Petauke. In Addition my Ministry has also requested Ministry of Finance to disburse thirty million eight hundred kwacha (K30, 800,000) to twenty two (22) constituencies as CDF for 2015.

Mr Speaker, the non-disbursement of the balance of Fifty Three Million Kwacha Two Hundred Thousand Kwacha (K53, 200,000) to the thirty eight (38) remaining constituencies was on account of these constituencies not having utilised the 2013 CDF allocation. Ministry of Finance withheld the disbursement of 2014 CDF until the 2013 allocation has been utilised. I am aware as we speak now that most hundred and twelve (112) Constituencies have utilised the 2014 allocation and thus are eligible to receive the 2015 CDF allocation.

Mr. Speaker, am also aware that sometimes funds are not used by the constituencies in time because of the long procurement processes involved. However, and not to underscore the need for councils to adhere to Zambia Public Procurement Act (ZPPA) process there is also need for the House to know that councils are only allowed to deal with procurements that do not exceed the threshold of K500,000. Any procurement which goes beyond the council authorised threshold is dealt by the Provincial Tender Committees.

I must also take this opportunity to thank all Members of Parliament for the successful use of 2013 CDF and to further request the Honourable members of this House to take stock of the projects being implemented in their constituencies to ensure that the funds for 2013 are utilised to enable Government disburse the balance of 2014. Mr Speaker, for the constituencies that have already utilised the 2014 allocation, Ministry of Finance will soon release the 2015 CDF to those constituencies. I will lay on the Table of the House the document containing the thirty (30) names of the Constituencies legible to receive 2015.

It is not in the interest of the Government to delay the release of this Fund to the constituencies but caution is made to release the funds only to the constituencies that have utilised the previous allocation so that money is not left lying in the banks.

Mr. Speaker, in conclusion I want to state that it's my sincere hope that members of parliament will assist my Ministry in ensuring that the funds are not held in the banks unnecessarily long so that projects are implemented for the benefit of our communities.

Hon. Members of Parliament CDF was approved by this House in 1995. According to the guidelines on the management and utilization of the fund, the purpose of the Fund is to finance micro-community projects for poverty reduction. Nothing less, nothing more. Working together we can surmount the challenges and make this tool work. I depend on your continued guidance and support. That letter I wrote to you individually was to open a new chapter of dialogue between us. Together, we can utilize the CDF tool to change the lives of our people.

Mr. Speaker, I thank you.