

Handbook on Constituency Development Funds (CDFs): Principles and Tools for Parliamentarians





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This handbook is the outcome of a partnership between the Commonwealth Parliamentary Association (CPA) and the State University of New York - Center for International Development (SUNY/CID).

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FOREWORD

The Commonwealth Parliamentary Association (CPA) recognises that the emergence of Constituency Development Funds (CDFs) provides the CPA with another opportunity to fulfill our mandate to support Parliamentarians and their staff to identify benchmarks of good governance in accordance with the enduring values of the Commonwealth. Commonwealth governments in Africa, the Caribbean, the Pacific, South East Asia and India have all adopted CDFs over the past quarter century.

CDFs are called by different names in different countries and are organised according to prevailing national institutional practice. They vary widely in size, type of programme and means of organisation. On the other hand, they have become popular tools of governance that have enabled Parliamentarians to influence the delivery of services in districts and constituencies throughout different countries. They provide bursaries for students, support the development of small infrastructure projects in constituencies and help to finance the construction of clinics, schools and community centres. It is no surprise, then, that Parliamentarians have become strong advocates for these programs that have the potential to improve the quality of life in constituencies.

At the same time, a good number of international financial organisations, non-governmental organizations (NGOs) and civil society organisations (CSOs) have closely scrutinized the development and operations of these funds with a critical eye in order to ensure that they do not become examples of bad governance that are highly politicised 'slush funds' subject to abuse and malfeasance. We saw a genuine need to address this scrutiny directly and forthrightly.

The increasing popularity and external scrutiny of CDFs have led the CPA to pay close attention to the research programme of the State University of New York Center for International Development (SUNY/CID) on CDFs, the first major, practical and comparative academic research program into these funds. Since our first workshop on these funds in Nairobi in September 2010, the CPA and SUNY/CID have cooperated in bringing Members of Parliament, parliamentary staff and technical experts together to exchange ideas and to identify the good practices and policy options that can be adopted in managing these types of funds in the spirit of good governance.

One of the results of this collaboration is: the *Handbook on Constituency Development Funds (CDFs): Principles and Tools for Parliamentarians* which provides a practical guide to the development and operations of these funds that is meant to assist Parliamentarians and parliamentary staff throughout the Commonwealth in addressing the full range of issues arising from the emergence of such funds. I hope that you find this handbook and the information it contains useful.

Mr Akbar Khan
7th Secretary-General
Commonwealth Parliamentary Association (CPA)

INTRODUCTION

This handbook represents the excellent cooperation between the **Commonwealth Parliamentary Association (CPA)** and the **State University of New York Center for International Development (SUNY/CID)** over the past several years to address the considerable growth of parliamentary involvement in grassroots community development across Commonwealth countries over the past two decades. One important and popular tool in this effort has been the **Constituency Development Fund (CDF)**, a programme which appropriates national funding for MP-influenced, locally determined constituency level development. A central hope behind CDFs is that local input promotes better targeting of projects to the needs of constituents, more attention to implementation, and a way of holding government officials responsible for results by giving capacity for development to MPs whose electoral fate will be locally determined.

The CPA in partnership with SUNY/CID organised a series of workshops on the **Role of Parliamentarians and Constituency Development Funds (CDFs)** to investigate the operations of CDFs in Commonwealth jurisdictions. The workshops explored the operations of these funds by asking about: the efficiency of service delivery in constituencies, the extent to which such policymaking contributes to effective administration, and the best ways to enhance the accountability and transparency of policy making on such funds.

The CPA has recognized that CDFs have been criticized for creating opportunities for corruption and nepotism, and for undermining more comprehensive development efforts, and that they blur the boundaries between deliberation and implementation of policy. Consequently, it began to address these issues formally at a workshop on *‘the role of parliamentarians in facilitating grassroots projects’* at the 56th CPA Conference in Nairobi, Kenya in September 2010 that has continued in a series of workshops in Jamaica, Tanzania, Papua New Guinea and the United Kingdom that were organised with the assistance of SUNY/CID.

At these workshops, MPs have contended that CDFs provide an essential catalyst to address problems in service delivery in their constituencies. Constituents routinely approach MPs and their offices concerning the delivery of services in education, health, roads, transportation and similar services. MPs have reported that CDFs help to fill substantial gaps in an imperfect administrative world, e.g., in providing wash rooms in schools, in giving scholarships to poor students, or fixing roads – that have not been provided by ministries and for which local government

lacks sufficient resources. So by design, MPs suggest, a CDF is meant to provide catalyst to facilitate the delivery of essential services to citizens in constituencies. They play crucial roles in addressing constituency-based problems that can get lost amidst larger-scale planning of the ministries and local/regional government and in solving these difficulties more quickly than would a nationally based planning.

MPs can employ their uniquely effective relationships in their constituency to acquire expertise that goes far beyond the scope of central government’s capacity to plan. This expertise can be channeled back as a catalyst in constituencies to provide services that can serve as an example from which ministries and other government agencies can learn and apply on a much broader scale across the country, as in a decision to finance wash rooms across an entire government that followed on from the first efforts in a CDF-financed project in a few constituencies. It seemed clear that, far from replacing programmes in ministries and local governments, CDFs are a complement and contribution to programmes, policies and services that are designed for ministries and local government.

So it is natural that MPs at our workshops have concluded that CDFs represent an important and legitimate policy tool notwithstanding the potential political advantages that the CDFs could deliver to them. MPs have focused most of all on how the funds help to solve real problems of development and service delivery in their constituencies that otherwise go ignored. Workshop participants agreed that the efforts of the CPA and SUNY to place CDFs into a good governance framework were well worth the effort: “this was exactly the way to go with this process.” Consequently, MPs have contributed substantially to this set of tools and guidelines to CDFs that can assist them to address problems of ordinary constituents and to bring in all relevant stakeholders inside and outside of government.

This handbook places CDFs into a framework that is consistent with international norms and values about legislative performance, socioeconomic development and good governance. Its work over the past several years in workshops in different CPA regions have developed the following ‘tools’ that make up the bulk of the current handbook:

- A workshop hosted by the Parliament of Jamaica and CPA from 7 to 9 June 2011 accepted the *Principles and Guidelines for Constituency Development Funds*.
- A workshop hosted by the Parliament of Tanzania and CPA from 9 to 11 October 2012 accepted the overall design of the toolbox and of *Tool #3: Public Participation*.

- A workshop hosted by the Parliament of Papua New Guinea and CPA from 12-15 August 2014 accepted *Tool #1, Sourcing and Financing; Tool #4, Procurement and Contracting; and Tool #5, Implementation.*
- A workshop hosted by the Commonwealth Parliamentary Association (CPA) Secretariat in London from 2 to 5 September 2015 accepted *Tool #2, Rules and Procedures; and Tool #6: Impact Assessment, Monitoring and Evaluation.*

These workshops have highlighted the importance of transparent project selection and implementation in a manner that enables citizens to work together for the development of their constituency, demand accountability from service providers, and maintain regular oversight of the CDFs. Further, MPs concur that the administration and management of CDFs can empower provincial and district governments and professional experts to apply their own contextual knowledge to solve local development problems from their particular vantage points. They accept that CDFs also should foster public learning through monitoring and evaluation about what types of development projects are most successful in meeting the needs of citizens and promoting community development.

It is clear that the successful operation of any CDF is contingent upon strong MP involvement and leadership. As representatives of a constituency's citizens, MPs play an essential role in facilitating popular participation to make claims upon government services. In this role, MPs can ensure that CDF resources are used efficiently and honestly, with the intent to meet the public interests of their constituencies. Thus, the CDF's great potential hinges on the initiative of MPs and their dedication to empowering citizens to participate in their own development.

This handbook presents the results of this effort to place CDFs in a framework of internationally recognized norms for parliaments and of good practice in governance. First the 'Principles and Guidelines for CDFs' emerged from fruitful discussion among parliamentarians, which revealed that, though there was great diversity in how the funds were administered and allocated, there was an overall consensus on the need for effective governance. The MPs identified responsiveness, transparency, good administration and management, accountability and oversight, and monitoring and evaluation as basic principles and guidelines that create a good governance framework for CDFs.

Following on from the 'Principles', MPs understood that a 'toolbox' would provide a set of descriptions, examples and models of existing practices in a policy area that can assist policy makers approach specific issues and policies. Toolboxes make available good practices and improve the effectiveness of a particular governance sector or set

of institutions. This CDF toolbox will assist Commonwealth Parliaments, MPs and CDF administrators apply the 'Principles and Guidelines for Constituency Development Funds'. These tools will create a practical framework to translate these principles and guidelines into practice.

- **Tool #1 Sourcing and Financing.** A tool for sourcing and financing outlines alternative models of CDF financing. It will present comparative good practice for financing mechanisms and for the distribution of operating expenses for the funds.
- **Tool #2 Rules and Procedures.** A tool for rules and procedures highlights the administration and management of CDFs on responsiveness, transparency, and accountability. The Rules and Procedure tool will present comparative good practices in rules and procedures for CDF operations and include a template for the necessary issues to be addressed.
- **Tool #3 Public Participation.** Constituency Development Funds serve to bring MPs together with citizens, CSOs, and other officials from national and local government agencies to address locally developed priorities in constituencies. Their success rests in good measure upon inclusive consultation. The Public Participation tool presents a variety of practical methods including: constituency needs assessments and public awareness campaigns, Constituency CDF offices, focus groups, community meetings, and participatory budgeting techniques, and coordination of the constituent CDF office with other agencies.
- **Tool #4 Procurement, Tendering and Contracting.** A transparent process of procurement, tendering and contracting will promote more effective implementation of CDF projects and increase public confidence in the integrity of the process. The Procurement, Tendering and Contracting Tool describes good practices for the entire procurement process: issuing tenders, evaluating bids, ensuring timeliness in the contracting and awarding of contracts for CDF projects, and enhancing the value for money of CDF projects.
- **Tool #5 Implementation and Operations.** To ensure efficient, effective, and accountable project implementation, this tool provides guidance on operational procedures such as identification of CDF implementers and CDF Constituent Committees, financial distributions to CDF projects, implementers, invoicing processes, reporting templates and dispute resolution mechanisms.

- **Tool #6 Impact Assessment, Monitoring and Evaluating CDFs.** Monitoring and evaluation is essential to ensure the accountability of CDFs to constituencies and stakeholders, such as government bodies and national CDF Boards that may be enshrined in legislation. The Impact Assessment, Monitoring and Evaluation Tool provides guides for: internal Monitoring & Evaluation for CDF committees; social audit methodology and other models of public participation in monitoring and evaluation by constituents and CSOs; Governmental audit procedures; and evaluation of CDFs' impact on service delivery and local development. This tool will also provide a feedback mechanism to evaluate the implementation of CDFs against broader national priorities in development. It will assist in mapping out the process for understanding the practical matters: identifying needs and links to be made for periodic CDF performance review. It will identify challenges of integrating CDFs with contributions of the community and other agencies to CDF projects.

It may be that some smaller jurisdictions within the CPA face unique circumstances that will require innovative strategies for implementing some aspects of the guidance given in this handbook. This may include working extensively with organisations outside the parliament in order to manage CDFs according to accepted principles of good governance. In addition, some of the tools contained in this handbook may require considerable skill and capacity on the part of MPs and staff who are responsible for leading work on CDFs. This points to the broader need for capacity development and training for the successful adoption and implementation of tools that will enable CDFs to become instruments of good governance in the Commonwealth in the 21st century.

The CDF handbook serves as a fitting outcome to this cooperative programme on CDFs between the CPA and SUNY/CID and can be developed further into different tools for both Members of Parliament and parliamentary staff to implement. It comes from the efforts by CPA regions in Africa, India, Asia, Southeast Asia, the Caribbean, and the Pacific Islands and addresses serious issues in good parliamentary governance. Taken together, the tools provide guidance that are in accordance with internationally accepted standards of good governance to Members and to parliamentary staff, as well as to other interested parties outside the parliament. We anticipate that this handbook of tools will be a useful guide for some time to come.

PRINCIPLES AND GUIDELINES FOR CONSTITUENCY DEVELOPMENT FUNDS (CDFs)

Parliamentary involvement in grassroots community development has grown considerably across Commonwealth countries. One important tool in this effort has been the Constituency Development Fund (CDF), which appropriates national funding for MP-influenced, locally determined, constituency-level development. CDFs become legitimate mechanisms of development through their creation in legislation. They also facilitate the legitimate connection between Members of Parliament and their constituencies. A central hope behind CDFs is that local input promotes better targeting of projects to the needs of constituents, more attention to implementation and a way of holding government officials responsible for results by giving the capacity for development to MPs whose electoral fate will be locally determined.

CPA Members recognize that CDFs should include steps to eliminate opportunities for corruption and be part of comprehensive development efforts. Below are principles and guidelines for the operation of CDFs that are consistent with international norms and values about legislative performance and socio-economic development. These principles highlight the importance of transparent project selection and implementation in a manner that enables citizens to work together for the development of their constituency, demand accountability and maintain regular oversight. Further, the administration and management of CDFs can empower provincial and district governments and professional experts to apply their own contextual knowledge to solve local development problems. CDFs also should foster public learning through monitoring and evaluation about what types of development projects are most successful in meeting the needs of citizens and promoting community development.

It is clear that the successful operation of any CDF is contingent upon strong MP involvement and leadership. As representatives of a constituency's citizens, MPs play an essential role in facilitating citizen participation to make claims upon government services. In this role, MPs can ensure that CDF resources are used efficiently and honestly, and with the intent to meet the public interests of their constituencies. Thus, the potential offered by CDFs hinges on the initiative of MPs and their dedication to empowering citizens to participate in their own development.

Principles and Guidelines for CDFs

The following are general principles of good governance that should apply to all CDFs across cases.

I. Responsiveness

CDFs are a distributive policy tool designed to meet the development needs of citizens. Their success is contingent upon an inclusive process of consultation which fosters co-operation among constituents, MPs, and technocratic experts. CDF initiatives should respond to local developmental needs. On this basis, CDFs require channels of input for local citizens and civil society at all steps in decision-making on CDFs.

- CDFs shall improve the well-being and livelihoods of constituents. The primary purpose of a CDF is to redirect additional resources to constituencies to solve socio-economic and humanitarian problems identified by citizens and elected representatives.
- Civic participation in government and MP-constituent relations shall be improved through the operation of CDFs.
- CDFs shall respond to constituents' needs regardless of political party affiliation or their relationships to MPs and CDF committees and/or implementers. CDFs shall not be used vindictively to retaliate against any public official's electoral opponents.
- Project selection and implementation shall be based on the needs of the people, who will be provided opportunities to communicate their diverse development needs to MPs and CDF committees and/or implementers for the duration of the project.
- Responsiveness can be achieved through a variety of means, including public forums and discussions about a community's development needs. A responsive CDF process shall also solicit input from all legitimate stakeholders by regularly including them in project selection and implementation.

II. Transparency

Transparency, as in the case of CDFs, is the fundamental cornerstone of an open government that promotes citizen engagement. Transparency refers to the administration of government services in an open and publicly observable manner that creates opportunities for public participation. MPs, CDF committees and/or implementers shall open decision-making processes to the public.

- The process of CDF project selection and implementation shall be transparent. MPs and CDF committees and/or implementers shall consult constituents about local development problems and all possible solutions.
- All deliberative decisions made by MPs, CDF committees and/or implementers

and other bodies shall be open to the public. The flows of all CDF funds shall be transparent and traceable to specific decision-making processes.

- All financial information regarding the use of CDF funds on projects shall be publicly available and documented according to standard and auditable accounting principles. Documentation of CDF funding shall be made publicly available in a timely manner.
- CDF programmes shall ensure ease of access for all citizens, who shall be allowed to make claims of redress and appeal regarding the CDF process according to government regulations.

III. Administration and Management

CDFs shall be administered and managed in an efficient, effective and transparent manner. In this regard, MPs and committees and/or implementers shall facilitate the process by mobilizing citizen participation, streamlining implementing mechanisms and proactively complying with them. Such actions ensure that CDF administration and management will be performed in a timely fashion and remain faithful to the intent of CDFs.

- CDF funds shall be allocated to individual constituencies in a fair and equitable manner, regardless of MPs' partisanship, gender, religion, race or ethnicity.
- CDF funds shall be released in a timely manner and CDF projects shall be completed in a timely manner. The release of funds shall not be employed as part of a legislative election campaign.
- CDF funds shall be channelled to a separate account of a public agency. Access to the funds shall be limited to officially authorized administrators. Funds shall be managed according to the best practices of public financial management.
- The structure of CDF administration shall be clearly defined. Each administering body at corresponding levels shall function with unambiguous legitimate authority, explicit responsibility and substantive commitments. The structure of authority will be clearly stated to the public to ensure that citizens are knowledgeable about the decision-making process of CDF management.
- A set of policies and procedures shall be made public to guide the implementation of the fund and the projects.
- Funding shall be devoted to development in constituencies. Funded areas may include poverty reduction, infrastructure, water, education, health care, sanitation and disaster mitigation, and shall address specific needs of individual constituencies.
- CDFs shall utilize all available technical expertise relevant to a particular project. Governments should make available to CDF implementing agencies relevant technical expertise. For example, public health professionals should be consulted about any CDF project that seeks to improve the health care of

constituents. Such expertise is essential to ensure that development projects are carried out in effective and efficient ways that improve livelihoods.

- CDF committees and/or implementers shall coordinate their projects with similar initiatives of local governments and agencies of the central government in order to avoid waste, utilize resources efficiently, and strive for sustainability of local development.

IV. Accountability and Oversight

Accountability and oversight play essential roles in promoting project quality, improving decision-making, and preventing corruption and abuse of CDF funds. Proper oversight of CDF financing ensures fiscal probity and promotes accountability to the public among MPs and CDF committees and/or implementers.

- Within government regulations, MPs, CDF committees and implementers shall be held accountable for their respective roles, conduct and decisions in the process of CDF implementation.
- Procedures and/or legal regulations shall be put in place to hold CDF actors accountable.
- Appropriate entities with adequate monitoring and oversight capability shall be assigned responsibility for overseeing CDF implementation.
- Any findings and/or results of investigations shall be released to the public in a timely manner.

V. Monitoring and Evaluation

Monitoring and evaluation of CDF projects are essential tasks to help ensure learning about what actions are most effective in fostering constituency development. Monitoring ensures that CDF projects are progressing toward their goal, while evaluation assesses the efficiency, effectiveness, impact and results of a CDF project. MPs, among other stakeholders, shall engage proactively in facilitating this process.

- Monitoring shall be performed throughout a CDF project to ensure that it is progressing towards its publicly stated goal. Constituents and legitimate stakeholders shall be afforded opportunities to participate in the monitoring process.
- If a monitoring entity determines that a project is deviating from its stated goal; under government regulations, it shall make recommendations about adjusting implementation.
- Evaluation shall be conducted upon completion of projects by appropriate government agencies. Evaluations shall be made publicly available to ensure that CDF committees and/or implementers are aware of the effectiveness of previous CDF projects.
- In addition to monitoring and evaluation, CDF projects will be subject to regular audits by appropriately designated entities for the duration of the project.

TOOL #1: SOURCING AND FINANCING

Introduction

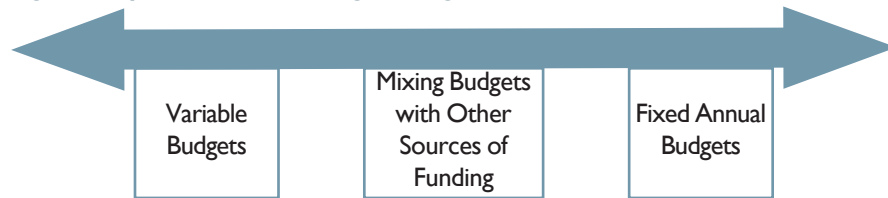
This **Sourcing and Financing Tool** will outline alternative approaches to financing national Constituency Development Funds (CDFs) and formulas for distributing existing funds. It will outline comparative good practices for both financing mechanisms and the distribution of operating expenses for the funds. As described in the Principles and Guidelines for Constituency Development Funds, these funds were not intended as a major source of development funding, but as 'money for small things' that fill in important gaps in services and small-scale local development that are otherwise left open by other forms of government spending.

CDF budgets can be comprised from different sources of revenue: national taxes, international grants from donors, and private sector grants. Further, they can be combined with other sources of income that is dedicated to local government or to ministries in order to achieve objectives that are common to these different levels of government.

There are three dimensions in this: the first concerns the source of funds for CDFs; the second concerns the principles of allocating the funds to the constituencies; and the third concerns the conditions under which the funds can be employed in constituencies. No two national CDFs are identical, especially in regards to financing, and different programmes will vary greatly in their ability to allocate budgets, the capacity to mix CDF funds with donor funds, the capacity to carry unused funds from one year to the next, and their methods of disbursing funds for projects.

Three types of choices are made in the distribution of funds: what is the formula for allocating the annual national CDF to different constituencies; what types of activities can be supported by CDFs; and to what extent do MPs have direct control and/or discretion over project selection and project implementation. National legislation and regulations typically provide solutions to each of these issues. In this tool, we turn first to sourcing of the funds and then to distribution of the funds.

Figure 1: Spectrum of Sourcing Strategies



Sourcing of Funds

Where do CDF funds come from? As seen in **Figure 1**, support for CDFs can originate in different formulas that reflect varying degree of discretion accruing to MPs, national CDF committees in parliament and/or executive agencies, and local CDF committees rooted in constituencies. The amount dedicated to CDFs depends, in part, on the availability of financing in the national budget. In general, CDF spending can amount to fixed annual sums as a percentage of the budget, or CDF spending can vary depending on the annual availability of funds in the budget. The amount of funds can be determined in an executive directive or in parliamentary legislation. In principle, funds can be co-mingled with funds from international donors and/or private sector firms. MPs from several constituencies might decide to pool part of their CDF towards a project that benefits each of their constituencies. And in some cases, it is possible to pool CDF funding with financing from other funds and from local government in order to achieve fiscal rationality, efficiency and good value for the constituency.

There are three images for this complex variation in type of funding as shown in Figure 1:

- **Variable budgets:** Some national funds vary the amount devoted in the budget each year to CDFs with formulas that indicate that amounts “no more than 2.5% of gross Estimates of Expenditure after debt amortization and interests” which lead to different percentages of the budget (and to varying amounts of available financing) each year. Some governments change the formula for allocation from the budget in different years. This leads to changing annual amounts dedicated to CDFs, which can inhibit medium term planning for development and services.
- **Mixing Budgets with Other Sources of Funding:** Budgets for the funds can vary according to donations from international donors or from a form of ‘rent’ or ‘fees’ provided by private firms that can be paid directly into a CDF account. It is also possible, in principle, for several constituencies to pool their funds to achieve some common objectives in construction of some sort of infrastructure, for example.
- **Fixed Annual Budgets:** Typically, CDF financing involves a fixed percentage of the national budget (often between 1% and 3%) being automatically allocated

to the CDF. This fixed annual percentage leads to varying amounts dedicated to CDFs annually, but provides certainty that CDF spending will vary with the changes in the overall budget spending.

Distribution of Funds:

As noted above, three types of choices are made in the distribution of funds:

1. What is the formula for allocating the annual national CDF to different constituencies?
2. What types of activities can be supported by CDFs?; and
3. To what extent do MPs have direct control and/or discretion over the process of project selection and implementation?

National legislation authoritatively addresses the first two questions. In determining a formula by which CDF financing is distributed among constituencies, national legislation or regulations generally begin from some sort of equal allocation to each constituency and then take into consideration other criteria, such as the population of constituencies, size of constituency, level of development and/or amount of poverty in constituency, extent to which the constituency is remote from the capital, or controlled by the opposition party. Each of these conditions can affect the formula and provide more financing to constituencies with greater need than for those constituencies that are better off. In addition, small source of funding is frequently set aside for emergencies and for administration of the fund. Funds that are disbursed for specific projects are typically used only for that project; unspent funds can be re-allocated to another eligible project at the end of the financial year; and funds that go unspent at the end of the project are returned to the funds for use on other projects. However it is also the case that funds can be carried over from one year to the next in order to complete projects.

In determining the formula for spending in constituencies, central government ministries can work closely with MPs and CDF committees in vetting and approving spending decisions concerning CDFs. In some cases, ministries dealing with decentralization, rural development, statistics, or local government bear responsibility for working with CDFs. In other cases, MPs work closely with the Office of the Prime Minister in developing spending plans for CDF financing. Such cooperation can ensure that spending on CDFs takes place in accordance with national legislation on finance and on government procurement. It is also the case, for example, that a small portion of the fund should be allocated to monitoring and evaluation of projects, as well as other forms of administration of the fund. However, it is important that the funds are not over-burdened with administrative costs and procurement of equipment such as automobiles and other unnecessary items.

The CPA leaves no doubt that MPs play a substantial role in all stages of CDF operations, and enjoins MPs to exercise their leadership in managing the funds through the application of principles of good governance, such as probity, transparency, and accountability. This does not mean that MPs directly receive CDF financing, nor determine autonomously and independently how the fund will be employed, but that they play a substantial role in identifying services and projects to be determined and in the work of the CDF committee in constituencies. It also means that financing for a given CDF project can be sustained even when an MP loses an election. On the one hand, the constituencies' need for this spending does not cease with the electoral defeat of an MP and, on the other hand, sustaining a project from one MP to another might indicate a greater harmony and integration in the community that will endure even with the defeat of a particular MP.

Subsequent tools will outline ways in which the MPs can work with groups of citizens in constituencies, with ministries, with tendering boards, contract management teams, and monitoring and evaluation teams in order to enhance the effectiveness of CDFs and the overall welfare to the constituencies.

We now turn to varying roles for MPs; considerations for distributing by constituency, and discretion in determining how the financing is used. **Figure 2** shows that national legislation and regulations on the distribution of funds for CDFs can leave MPs and CDF committees a great deal of discretion in the use of funds. On the other hand, these regulations can provide very clear and specific guidelines concerning the type of activities and amount of spending for which the funds can be employed and thereby leave MPs and CDF committees with very little discretion in the employment of the funds. **Table 1** elaborates on the variability and discretion to different types of distribution and sourcing of CDF financing.

Figure 2: A Spectrum of Distribution Schemes



Table 1. Types of CDF Sourcing and Financing

Type	Highly Variable/ High Discretion	Mix Funds with Other Sources/ Medium Discretion	Fixed Annual Budgets/ Low Discretion
CDF Operations			
Source of Financing for CDFs	Budgets substantially vary annually; MPs and CDF committees control spending.	Potentially multiple sources of finance: national budget, donors, private sector, combined constituencies.	Uniform distribution from budgets, detailed compliance and funding rules are uniformly established and enforced.
Distribution Strategy	Highly varied, disbursements subject to frequently changing criteria.	Formulas permit variation based on characteristics of constituencies; subject to annual adjustments and recalculations.	Highly uniform, all constituencies receive equal funding.
Distribution Model: Determinants of types of projects	Direct disbursement to MP's personal account.	Funding is dispersed directly to constituencies and sub-national governments.	Funding is distributed to CDF management committees via executive agencies responsible for CDFs.
Role of CSOs in Distribution	CSO's perform oversight independently and often in opposition to MPs.	CSOs sit on local CDF boards, but conduct independent oversight.	Facilitative-supportive: CSOs promote and organise community assemblies.
Role of Central Government	Agencies perform basic audits on projects expenditures.	Agencies establish standards for contracts, for tracking funds, and for mixing different types of funding.	State agencies set standards and audit expenditures; provide guidelines and mediators for contract disputes and other conflicts.

Low Discretion: The distribution of CDF financing occurs strictly according to national legislation and regulations and in a manner that gives to MPs a minimal role in determining the types of projects.

High Discretion: In some CDFs, only members in the majority party have access to CDF financing in a manner that resembles an award to MPs for supporting the party in power. As a result, this both leaves out a significant percentage of constituencies from funding opportunities and can lead to other forms of polarization that are not

conducive to development and good service delivery nationally. It is also possible for MPs to have high discretion in determining the amount of funding to MPs for funding with little oversight from a government ministry or little cooperation from local government. In such highly discretionary types of funding, it is not always certain that spending will meet the good governance standards of transparency, accountability and probity. However, it is possible that robust oversight of CDF financing internally among national and local audit institutions and externally among civil society organisations can assist in strengthening the accountability of the funds.

Models of Distribution: Guidelines for Distribution of Funds

CDF funds are generally financed by national budgetary appropriations according to a formula that is specified in legislation and/or regulations about CDFs and in accordance with national legislation on public finance. In addition, some services can achieve economies of scale with opportunities when individual constituencies supplement CDF financing with other revenues for projects or broader initiatives. Supplemental financing can come from appropriations from sub national state and local governments, external grants, and other non-governmental or grassroots organisations. Additional financing can complicate project management and administration when it is not subject to the rules governing CDF financing – in matters of tendering, reporting, transparency, accountability and oversight of implementation of projects. Consequently, in projects and services that result from co-mingling of CDF financing with that from other sources, it will necessitate the development of appropriate procedures for consolidating the multiple sources of financing that are in accordance with national legislation and regulations for public finance and accounting. This complex financing will require close coordination among MPs, CDF committees, officials from ministries and local government, and stakeholders of other entities that are undertaking these joint projects. Financing from other sources can help to enhance the value of the project or service provided in the constituency or can cover some elements of a programme that is not otherwise allowable under CDF regulations. This additional financing should neither be used to inflate salaries or other gratuities accruing to administrators, managers or implementers of the project, nor to provide support to special interests in a constituency. Reporting, transparency and accountability mechanisms for the supplemental financing should be in accordance with national regulations on public finance and audit. The allocation of CDFs to constituencies will also be in accordance with national legislation and regulations on CDFs. Ideally, the formula for distribution among constituencies should be clear, transparent and apply equally to all members of parliament regardless of political grouping or party. The legislation can make allowances to provide funding also on the basis of distance from capital, level of poverty, size of constituency, size of population or other qualities that affect the provision of services in a constituency.

TOOL #2: RULES AND PROCEDURES

Introduction

The **Rules and Procedures Tool** will highlight administration and management of CDFs on responsiveness, transparency and accountability. It will present comparative good practices in rules and procedures for CDF operations and assist in the drafting and adoption of legislation and regulations to make CDFs responsive to local needs, transparent and subject to accountability in the spirit of good governance for all government programmes.

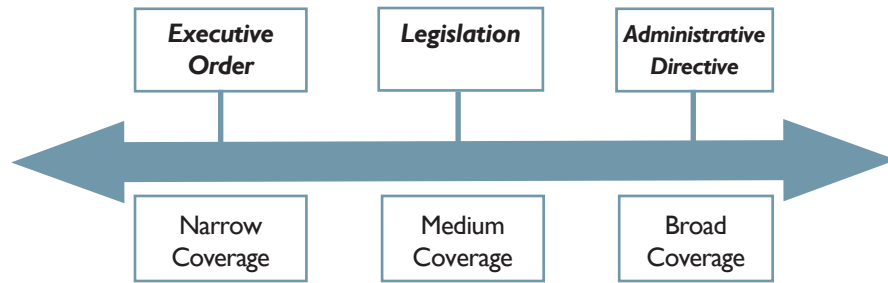
The term ‘rule’ encompasses all norms governing CDFs, including laws, declarations of principles, regulations, administrative procedures, constitutional provisions and executive orders. A rule can vary in the scope of activities addressed, the extent to which it is popularly legitimate and in the extent to which it is legally binding (i.e., to which it holds policy makers involved in CDFs accountable for performance). Rules can spell out the CDF’s vision and mission; identify individuals and committees active in CDFs; and describe constituent participation, the tendering, transparency and accountability in CDFs; and how to address problems including malfeasance in implementation and/or non-use of CDF funding in a given year. Formal rules and procedures are important because they place the CDF among other policy programmes in government and constitute the framework for their operations.

A Spectrum of Rules and Procedures

We turn first to an illustrative spectrum of different types of rules that govern the operations of the CDF from design, participation, tendering, implementation, and monitoring and evaluation. In practice, this may be imperfect because a law in one country may be more comprehensive than a law in another country. Further, a government with comprehensive legislation may not have a publicly available general, administrative instruction or guidance for CDFs.

Figure 3 illustrates the potentially broad range of CDF rules. On one side of the spectrum, the scope of rules is narrow and provides minimally binding guidance for CDF operations. In the middle of the spectrum, CDF rules address a much wider range of actors and activities, but may leave open some procedures governing participation in project selection, tendering processes or oversight of implementation, for example. On the right side of the spectrum, the rules and procedures comprehensively specify all roles and areas of the CDF, but may leave little room for adaptation to changing circumstances.

Figure 3: A spectrum of rules and procedures for CDFs



Narrow Coverage

On the left side of the spectrum, the rules and procedures governing CDFs may leave gaps in identifying participants, specifying procedures for participation, tendering, monitoring and evaluation. The rules governing CDFs can be highly informal and not be embodied in legislation or administrative regulations. Such informal guidance may provide MPs and staff with far broader discretion to implement CDF projects in accordance with personal political incentives rather than with the overall goals of the CDF in poverty reduction, infrastructure development or service provision. These rules may not guarantee funding for CDFs in a given year. It is possible for executive orders or legislation to provide a CDF mandate that spells out a clear overall goal without providing guidance for: participation in project selection, tendering and procurement of goods and services, cooperation and coordination with other agencies in government, transparency and accountability mechanisms, oversight, evaluation and impact analysis in the operations of CDFs.

Medium Coverage

In the middle of the spectrum, CDFs can combine a clearly specified overall goal with well-defined rules that provide guidance on operations of CDFs to MPs, staff, agency officials, CDF committee chairs, and CSO activists. “Medium” CDF rules, such as those in detailed legislation and/or administrative directives will generally address the type and source of financing, participation and project selection, modes of tendering, implementation, oversight, and mechanisms for formal accountability. They can provide directives for the distribution of funds, the types of allowable projects, roles for decision makers in national and constituency-level institutions, and procedures for unused funding or to continue unfinished projects following the defeat of incumbent MPs. Some combination of legislation, executive orders and administrative

regulations can provide the medium coverage of CDF operations. Among areas that may not be fully addressed in the middle of the spectrum are: mechanisms to ensure cooperation and coordination between CDFs and other government agencies, either in the Executive or in local government, in the implementation and operation of the goods and services provided by the CDF. It may lack mechanisms to address dispute management or a means to address malfeasance and corruption in implementation of CDF projects.

Broad Coverage

At the far right of the spectrum, CDFs can feature, in principle, a combination of legislation and administrative rules and procedures that comprehensively cover all aspects of CDF operations in a highly normative, formalized and institutionalized form. It is possible that broad coverage clearly defines the entire CDF process in such a way as to leave little room for informal malfeasance by corrupt actors, but in a manner that could leave little leeway for adaptation to particular local circumstances, for constituents to influence the project selection or for the capacity of particular constituent funds to address evolving needs in constituencies.

Table 2 provides another illustrative description of how different types of rules would address the codification of: overall goal, identification of participants, relationships to other agencies and funds, public participation, tendering and procurement, transparency, implementation and accountability, and monitoring and evaluation of the funds.

Table 2. Types of CDF Rules and Procedures

Scope of Coverage How Do Rules Address the Following?	Narrow Coverage	Medium Coverage	Broad Coverage
Overall Goal	Goals for CDFs are outlined.	Goals for CDFs are outlined.	Goals for CDFs are outlined and in Constitution.
Source of Funding	Rules do not clearly specify the source of funds.	Rules specify clear source and formula for source of funds.	Rules specify and limit the kinds of funds that can support CDFs.
Relationships to Other Constituencies, Types of Funds, Government and Non-Government Agencies	Rules do not specify CDF relations with other funds and agencies.	Rules specify CDF relations with other funds and agencies.	Rules specify and provide limits to CDF relations with other funds and agencies.
Identification of Formal Actors in CDFs	No real identification of participants at all stages of decision-making on CDF.	Clear identification of participants in central and local government and in constituency in CDF.	Clear identification and limits on participants in central and local government and in constituency in CDF.
Public Participation in CDF Processes	Rules do not include measures to include constituents.	Rules include limited measures to include constituents in the CDF process.	Participatory measures at all levels of the CDF process (can include CSOs and non-parliamentary actors).
Tendering Process	Informal tendering process.	Partially institutionalized procurement.	Fully institutionalized procurement.
Formal Transparency	Rules do not address transparency of processes.	Principle of Transparency is stated.	Establishes means to ensure transparency.
Oversight of Project Implementation and Accountability	Minimal project reporting and Accountability.	Specification of project reporting and Accountability.	Accountability throughout the process.
Monitoring & Evaluation and overall Impact Evaluation of Programme	Neither Calls for Monitoring & Evaluation nor call for overall evaluation.	Clear directions for Monitoring & Evaluation Laws and rules cover most tools.	Laws and rules cover all of the tools above.

CDF Rules and Procedures Tools

Below are tools that can provide a framework for CDFs. It is possible for a CDF to be governed by more than one type of tool, e.g., a law and an administrative instruction or an executive order and an administrative instruction. These different types of rules can have complementary purposes and be aimed at different decision makers in CDFs, including MPs, parliamentary committees, executive agencies, staff in the district, civil society organisations, and individual and informal groups of constituents. It is important for the CDF legislation, executive orders and administrative directives to fit within the national constitutional order.

The national constitution is not taken as a CDF tool: in some cases, it can be said that the constitution is sufficient to authorize this kind of spending. In other cases, the CDF can be challenged as unconstitutional in the broader menu of government spending programmes. But in neither case is the constitution's primary purpose to govern CDFs in the same way as other tools discussed below.

1. Executive Order

CDFs can be created through an executive order issued by the President or the Prime Minister. The legal authority of an executive order will reflect specific national circumstances and the extent of parliamentary support for the CDF will depend on these circumstances. Among the advantages of a CDF created by an Executive Order are: the avoidance of potentially fractious political wrangling and the establishment of a direct line of financing from the Executive to individual constituencies via MPs. In principle, this can lead to relatively quick and efficient employment of the fund to address the needs in the constituency.

An Executive Order that rewards the parties, who are both inside and outside the governing coalition with CDF funding, will win far broader support than will a CDF that favors only the coalition in power. A broader-based CDF will provide a more stable source of financing for local needs regardless of which party or coalition currently controls the Executive. On the other hand, CDFs that are mandated mainly by executive order may be less durable than those that win broad support within the parliament in legislation and that are subject to administrative instructions that provide guidance at the different stages of the decision making process.

In addition, a CDF created by an Executive order would benefit from administrative orders and directives that govern the operations of the CDF, including: constituency-level participation in the identification of projects; tendering, procurement and contracting of goods and services; and mechanisms of transparency, oversight and accountability in the

implementation of projects financed by CDFs. Such administrative instructions can help to strengthen the broader democratic legitimacy of CDFs in society. So while the Executive can cut through ‘red tape’ to initiate the establishment of a CDF, it makes a good deal of sense to take further steps in codification by passing legislation in the parliament and drafting administrative instructions that provide a framework for CDFs in practice. The more fully that a CDF is institutionalized in parliamentary legislation and practical administration, the more it will contribute to the broader goals of the CDF as articulated in the order.

2. Legislation

CDFs can be codified in laws with the support of a majority of MPs and of the Executive, as well. A CDF can emerge from the specific initiative of one or a group of MPs, or it can be created as part of broader legislation, such as an annual budget appropriations bill. It is possible to build into the initial law regular reviews and evolution of the legislation after an initial period of operations that will take into account the bumps along the road during the initial period of implementation, and enable a constructive adaptation of the procedures and mechanisms that guide the decision making process in the CDF. An existing CDF then becomes part of the annual budget appropriations process, which can lead to adjustments in the percentage of annual financing to the CDF or in the formula for distribution of CDFs.

One advantage to creating a CDF in the legislative process, as mentioned above, is potentially greater stability and durability that derives from broad support in both the parliament and the Executive. A programme, which gives a stake to all MPs and parliamentary groupings and which places responsibility for CDFs in a parliamentary committee, can possibly lead to greater cohesion within the parliament as a whole and strengthen its capacity to act as the people’s institution. In this way, legislation that creates a parliamentary-wide CDF can even enhance the role of the parliament in passing legislation and in overseeing the Executive in other policy areas by strengthening its identity as an independent body.

Some relatively concise laws on CDFs might avoid many important details in the daily operations of CDFs. Other legislation can go into considerable detail over CDF administration at all stages of decision making. This can include identifying all key decision makers and decision making bodies, describing the procedures in detail, and establishing penalties for failure to achieve the goals of the programme. But it is likely the case that no piece of legislation can anticipate all of the contingencies facing the operations of CDFs in practice. Especially where legislation does not delve into these details, it will be desirable to have administrative instructions that do go into these important matters.

3. Administrative Orders or Directives

Within the context of either an executive order and/or a law on CDFs, administrative directives establish policies and procedures for the administration of programmes that derive from the legislation or executive order on CDFs. These administrative orders can be drafted by the executive agency that will be working most closely with the CDFs, possibly the ministries of rural development, the ministry of statistics and programme implementation, or the office of the Prime Minister, and subject to review by the CDF committee in the parliament. It will provide an operational guide to the implementation of the CDF in practice.

The administrative order will generally go into considerable detail in addressing:

- Identification and roles for all the key committees and individuals in the parliament, executive, constituency, local government and outside of government.
- Specification of types of projects that are allowable under the legislative guidelines for CDFs.
- Detailed procedures and timelines for a CDF project that begins with the adoption of the annual budget.
- Methods of financing the CDF operations in constituencies, including percentage to be spent on administration and other types of costs.
- Arrangements for CDF bank accounts and means of disbursing financing for individual projects.
- Methods to elicit participation and transparency in project selection in the constituency.
- Types of inter-agency cooperation and coordination, including with local government and non-governmental actors, at all stages of the programme.
- Specific procedures for tendering, contracting, and release of financing for individual equipment and services.
- Types of oversight and reporting during the implementation of individual projects.
- Procedures for monitoring and evaluation of the projects.
- Mechanisms for addressing disputes in implementation.
- Clear description of penalties for failure to achieve good performance in developing CDF projects.

An effective administrative order for implementation of CDFs will likely go through more than a single draft over the life of the CDF. It will change as the CDF evolves and as some practices seem unwieldy and others can be magnified in order to ensure that the role of MPs in financing local services can be a constructive one.

TOOL #3: PUBLIC PARTICIPATION

Introduction

A **Public Participation Tool** will assist MPs to facilitate the participation of citizens to make claims upon government services that are in accordance with the mandates contained in national legislation on Constituency Development Funds (CDFs). It includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns, establishing CDF offices, holding community meetings, and initiating community-based budget proposals. This tool may emerge from a strategic plan for the development of the constituency.

This tool serves as a guide for MPs to a range of participatory practices for CDFs: from those addressing problems of inter-governmental coordination to those including constituents in the selection of priorities and projects to be developed with CDF funds. By facilitating inter-governmental coordination, CDFs can help to enhance service delivery through the achievement of positive synergies in development administration. By connecting constituents to MPs and CDF decision-makers, participatory mechanisms can increase the likelihood that that CDFs will be responsive to local needs and those of constituents. This tool provides a menu of options for including individuals and organisational actors in identifying development priorities and selecting CDF projects.

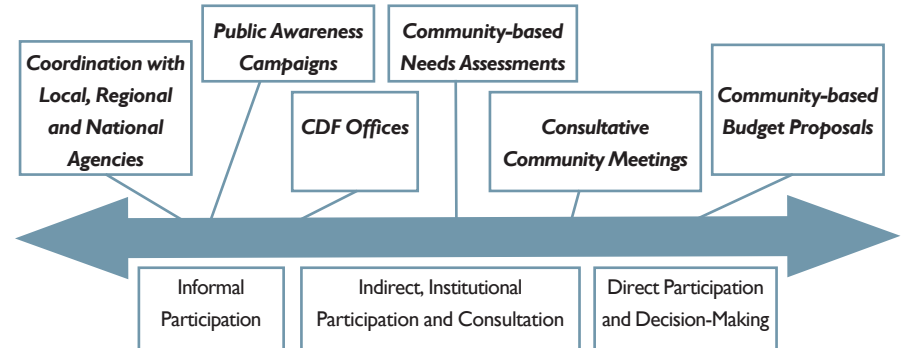
In the following section, we propose participatory practices that emerge from the Principles and Guidelines for Constituency Development Funds that the CPA developed and adopted in 2011.

A Spectrum of Participation

We now turn to the spectrum of different types of participation that can increase the responsiveness, transparency, and accountability of CDFs to the public.

Figure 4 illustrates how CDFs permit a broad range of participation. On one side of the spectrum, participation in CDFs lack clearly defined institutional rules or procedures for participation and place decision-making at the discretion of individuals. In the middle of the spectrum, participation in CDFs is governed by clear rules and procedures, which include local committees of constituent representatives, parastatal committees and other government agencies. At the other end, CDFs can encourage much broader participation by constituents, including in mechanisms that resemble participatory budgeting.

Figure 4: A spectrum of participation in constituency development practices



Informal participation

At the left side of the spectrum, there is very narrow participation in decisions about the use of CDFs. Elected officials have great discretion to make decisions over the employment of funds on the basis of personal links with particular constituents' perception of local development needs.

In the absence of broader participation of constituents, CDF projects may neglect important issues in constituencies and, more generally, have difficulty in establishing development priorities that reflect the constituencies' broader needs. Overall, this type of CDF relies on the capacity of the MP, alone, to aggregate constituent interests, and provides limited opportunities for other government agencies or constituents to participate in project selection.

Indirect, Institutional Participation and Consultation

In the middle of the spectrum, CDFs can feature indirect popular participation and participation of cooperating agencies through clearly defined rules and regulations governing the methods of project selection, implementation and oversight.

Constituent participation in project selection takes place in community needs assessments, such as focus groups, surveys of constituents and contact with individual participants. Constituents can also participate in consultative local decision-making bodies, such as 'CDF Boards', which can be chaired by MPs and staffed by representatives of constituents, CSOs and local elected officials. These consultative bodies can hold community meetings where citizens can express views on the needs of the constituency. CDF programmes can also open Constituency/CDF Offices in constituencies to receive

constituent input and disseminate relevant information about the CDF activity in that constituency. Project implementation and oversight is often performed by national-level agencies in either the executive or legislative branches. These administrative bodies promote formal compliance with existing rules and provide expectations for appropriate contracting and tendering procedures. In addition, CSOs and parastatal agencies can perform their own oversight activities to inform the public about the progress of project completion and hold project implementers accountable.

Indirect participation provides constituents with channels to communicate their priorities and preferences about which projects deserve support. MPs may supervise these consultative bodies, play a central leadership role in them or select the personnel for the local CDF board. Consultative community meetings with constituents can strengthen responsiveness and accountability of a CDF board. Establishing local Constituency/CDF offices in each constituency can strengthen transparency and oversight of CDF operations by public information campaigns. Clearly defined rules and procedures allow constituents and CSOs to perform oversight and improve the efficiency of administration and management.

CDF Participation Tools

- **Constituency Needs Assessments:** methods in which constituents can express their preferences in focus groups, surveys, individual meetings and interviews.
- **Public Awareness Campaigns:** increasing awareness among CDF stakeholders about CDF purposes and procedures.
- **CDF Offices:** providing constituents with a one-stop clearing house for all CDF information relevant to their constituency.
- **Consultative Community Meetings:** enabling constituents to pose questions to a panel of CDF decision-makers and CSO representatives about local development.
- **Constituency-based Budget Proposals:** empowering constituents to define their own development agenda, make project proposals and select projects.
- **Coordination with Local, Regional, and National Agencies:** forging relationships with government agencies across communities of practice.

Table 3. Types of CDF participation

Type of Participation / CDF Operations	Informal Participation	Indirect Participation and Consultation	Direct Participation
Who is mobilized?	MP supporters, friends, clients.	CSOs, constituencies, ordinary citizens.	Ordinary constituents.
Method of Project Selection	MP discretion.	Local CDF boards including MPs, constituents, CSO representatives.	Direct selection by constituents.
Method of Information Sharing	Informal communication among MP's network of constituents.	Town hall meetings with constituents and CDF offices.	Deliberative discussion within community assemblies.
Amount of Participation	Limited: dependent on outreach activities of individual MPs.	Representative: constituent input via representatives on CDF boards.	Direct: constituents specify development priorities in assemblies, community meetings.
Role of CSOs	Oppositional: perform oversight independent of MPs.	Supportive: CSOs sit on local CDF boards, but conduct independent oversight.	Facilitative-supportive: CSOs promote and organise community assemblies.
Role of Central Government	Agencies audit or implement projects.	Agencies approve project selections, disburse funding, and perform oversight.	Informative: agencies provide budget information to citizen assemblies and work with constituents, CSO on oversight.

Participatory budgeting mechanisms

On the right side of the spectrum are participatory mechanisms that enable direct constituent participation in selecting projects for CDFs. Among these mechanisms are: Community Assemblies to enable constituents to identify local development priorities and articulate individual project proposals. Deliberative forums led by facilitators who provide information to constituents on the legal and actual possibilities for funds. Constituents participating in deliberative assemblies may also elect Constituent Delegates who become experts in local and national budgeting. Constituent delegates then work with MP staff and facilitators to refine project proposals and present them at community assemblies where participants select projects for funding.

Since constituents are empowered to identify priorities and select projects, these CDF programmes guarantee a high degree of responsiveness and ensure that project selection is accountable and transparent. Further, greater participation by constituents in selection of projects for CDFs can lead to increased constituent participation in the implementation and oversight of CDF projects.

CDF Public Participation Tools

Below are six tools for Public Participation designed to ensure broad participation in the implementation of CDFs together with MPs. Each section defines the purpose of the tool and makes suggestions for employment of the tool. Appendix A includes templates for using the tools.

1. Constituency Needs Assessment

A Constituency Needs Assessment (CNA) can be part of a constituency strategic plan. It gathers information from constituencies to identify needs for local development and service delivery and to assist in developing projects that address those concerns. A CNA can be performed using multiple methods of assessment, including:

- **Surveys:** posing specific questions to a large number of constituents about local development.
- **Focus groups:** meetings with groups of selected constituents about local development.
- **Constituent interviews:** enabling constituents to directly inform MP or CDF staff about local development.
- **Informal constituent contacts:** reaching out to constituents active in local communities for information about local development.

Suggested Components of a Community Needs Assessment Survey:

- **Constituent Contacts:** An effective way of learning about development in a constituency is from informal contact with constituents, who express their preferences and priorities for local development. These contacts can also be used to build a list of respondents who may be interested in participating in surveys, focus groups or interviews.
- **Preliminary Consultation with Local Stakeholders:** Local stakeholders, such as CSOs, local elected officials and community leaders, can provide input into the development of CDF proposals and enhance the legitimacy of the assessment as a basis for decision-making on CDFs.
- **User Friendly Assessment Questions:** Needs assessment questions should be written in simple, easy to understand language. Questions asked in either a survey or a focus group should be composed in the primary language spoken by constituents.
- **Selection of Assessment Methodology:** CDF decision-makers should choose an assessment methodology tailored to the type of constituent information they wish to collect. Surveys provide decision-makers with a large number of constituent responses and can provide a more comprehensive description of constituents' priorities. On the other hand, focus groups provide more in-depth understanding of how local constituents perceive their community's development needs.
- **Designated Staff to Perform Needs Assessment:** A small number of CDF staff (2-3 persons) should be designated to develop procedures for executing the needs assessment. Staff members with experience in constituency relations and who are familiar with the demographic composition of the constituency can identify a sample of respondents that is representative of the entire population within the constituency. The size of the sample should reflect good practice in statistical sampling. Staff should also possess a basic understanding of quantitative or qualitative research methods in order to analyze the survey, focus group or interview data.

2. Public Awareness Campaigns

Public Awareness Campaigns, which are under the overall direction of the MP and/or a parliamentary committee, disseminate knowledge about CDFs in trainings, workshops and produce outreach materials that build stakeholder understanding of a country's CDF programme. Such campaigns inform constituents and stakeholders about the rules and procedures governing CDF operations including project selection, approval and implementation. Public awareness campaigns can strengthen relationships among

stakeholders and increase cooperation between CDF officials and other stakeholders and give to constituents a greater sense of ownership of CDFs.

Suggested Components of a Public Awareness Campaign:

- **Informational Literature and Public Service Announcements:** CDF Campaign organisers should distribute information on the rules and procedures of the country's CDF to the general public. These pamphlets or brochures should describe CDF rules to ensure comprehension by all sectors of the public. It should also include contact information for meetings of local CDF boards or committees to facilitate public participation. CSOs and other officials can also distribute these pamphlets and brochures on CDFs. Public service announcements can inform the public about CDFs. These are short commercials or advertisements produced and purchased for broadcast in local media and uploaded to institutional web sites to inform the general public about the purpose of a CDF programme.
- **Workshop Planning and Agenda:** Workshops can build relationships between MPs, CSO leaders and other elected officials with information to participants on project selection, approval and implementation to facilitate broadly legitimate participation in CDF programmes. Workshop facilitators should also pose questions to participants that enable them to deliberate on their communities' development needs and priorities.
- **Media Contacts:** Public awareness campaigns are strengthened by publicity from local, regional and national media, and websites that provides constituents with information about CDF programmes. MPs and CDF staff should actively reach out to reporters and journalists to keep them informed about the venue and dates of awareness campaign events. Media advisories and press releases should be regularly provided to reporters and journalists at least one week prior to campaign events.
- **Outreach to CSOs and Local Elected Leaders:** Public awareness campaigns can strengthen relationships among stakeholders, CSO leaders and local government officials. Campaign organisers should invite the relevant local CSO and government officials to campaign events, and publicize this cooperation to demonstrate broad approval of the CDF programme.

3. Constituency/CDF Offices

A Constituency/CDF Office provides a one-stop clearing house for all CDF-related activities and information in a single constituency. It may be necessary to set aside funding for these offices that provide citizens with a space to review potential CDF projects and submit feedback regarding their priorities and preferences.

Suggested Components of a Constituency/CDF Office:

- **Constituent Contacts:** Constituency/CDF Offices permit regular contact with constituents that provide MPs with information on the preferences and priorities for development of constituents. Office staff should maintain a database of all constituent requests to the CDF Office, which can serve as a quick and reliable information resource for CDF decision-makers.
- **Office Staff Trained in Constituency Relations:** CDF office staff should have experience in constituency relations, be familiar with the constituency's communities and understand CDF operations. They should also be trained to develop and maintain a database of constituent preferences and to communicate this information to the MP and CDF board.
- **Official Records of CDF Operations:** CDF offices should maintain multiple copies of official records of CDF operations, which include a list of all selected projects, their locations and implementers, tendering and contracting documents, and comments of constituents on the project or its implementers. Such offices will provide minutes of meetings of local CDF boards or other bodies about decisions concerning CDFs to constituents.
- **Easily Accessible Location and Hours:** CDF offices should be accessible to all constituents and office hours should be scheduled to maintain accessibility during normal business hours.

4. Consultative Community Meetings

Community meetings are gatherings that enable MPs, constituents and government officials to identify community needs and develop priorities for local development. They provide opportunities for constituents to consult with MPs and other officials on the use of CDF funds. These meetings also allow MPs to demonstrate their responsiveness to constituents by publicizing recent activities.

Suggested Components of a Community Meeting:

- **Meeting Planning:** the location and format of the community meeting should be publicized well in advance and invitations containing the agenda should be sent out. Members of a CDF board and other stakeholders should participate

in the community meeting. Planners should publicize the meeting in local media and post notices of the meeting throughout the constituency.

- **Outreach to CSOs, local elected leaders and CDF decision-makers:** Meeting planners should reach out to CSOs and government officials to encourage their participation. Advanced coordination will improve prospects for a successful public, community meeting.
- **Agenda and Format:** The meeting agenda should be publicized in advance and distributed at the meeting. The MP or her/his representative can make a brief opening statement about recent development initiatives in the constituency. Constituents may then address comments and/or questions to the panel for brief responses. At the end of this dialogue, the MP and panelists can conclude by summarizing what was discussed at the meeting.
- **Meeting Organisation and Follow-up:** The meeting should take place in an orderly fashion: moderators from local CSOs or interested constituents can help to manage the meeting to ensure that it maintains a tone of civil dialogue. Organisers can reach out to local police for security. Other staffers should maintain a record of the community meeting (either audio, video, or a written record) for the MP, the CDF local board and that is publically available.

5. Constituency-based Budget Proposals

Participatory budgeting mechanisms confer some direct decision-making authority to constituents in the use of CDFs. They are based around citizen assemblies that enable constituents to identify development priorities and select projects to be funded by a CDF. MPs, CDF Board staffers and CSOs can facilitate participation and assist constituents to make decisions that address needs in constituencies. These constituency based budget proposals can demonstrate the manner in which CDFs can contribute to developmental synergies between local and national initiatives in service delivery in constituencies.

Suggested Components of Participatory Community Assemblies:

- **Formation of a Steering Board:** A steering board helps to establish and organise community assemblies. They are composed of the MP, CSO representatives and other constituency stakeholders. The steering board determines when and where to hold citizen assemblies to guarantee to all constituents the opportunity to participate in assemblies. The board typically addresses questions or comments about community assemblies and informs the public about the purpose, time and place of the assemblies.
- **Trained Assembly Facilitators:** Trained facilitators enhance prospects

for successful participatory assemblies. Facilitators guide discussion among constituents to identify problems and propose practical solutions. Facilitators must also ensure that all participants have an opportunity to speak during the assembly, especially those participants from marginalized and dispossessed groups and members of the opposition who may otherwise lack opportunities for participation.

- **Trained Budget Delegates:** Budget delegates are constituents who volunteer at the initial community assembly to develop expertise on a development sector that is identified as a priority, refine initial project proposals to ensure compatibility with existing capacities and budgetary rules, and inform other constituents about existing CDF proposals.
- **Publicly Accessible Information:** The Steering Board will provide constituents with up-to-date data about local economic growth, poverty, health and education, as well as on service delivery in these areas. This information should be made available by facilitators and CDF staff in formats that are accessible to all citizens, regardless of language, and in both hard and soft copies.

Proposed Timeline for Community-based Budgeting Proposal Process

Community-based Budget Proposals are developed in a series of events and meetings. It begins with initial deliberative community assemblies and results in project proposals selected by direct constituency voting. The community-based budgeting timeline should provide sufficient time to develop alternative proposals: below is a five-month process of decision making on project selection. This timeline can vary according to national legislation and in a manner that is in harmony with national budget cycles.

Month 1: Steering Board Formation: Local stakeholders (MPs, CSOs, government officials) meet and plan the logistics of the community-based budget process. The Steering Board should select accessible locations for community assemblies, designate facilitators and budget delegate trainers among CDF staff and determine what technical information will enable constituents to develop initial project proposals.

Month 2: Community Assemblies: Constituents meet to discuss development priorities in their constituencies. These discussions specify current shortcomings in service delivery and development, and identify potential project proposals.

Month 3: Delegate Meetings: Individuals who have been selected as delegates at community assemblies will meet with facilitators and CDF staff to refine proposals according to pending legal regulations and existing infrastructure capacity.

Month 4: 2nd Community Assemblies: Budget delegates present refined project proposals to community assemblies to solicit feedback. Constituents deliberate about which proposals are most needed.

Month 5: Project Selection and Voting: Constituents vote on projects to receive funding, which will then be implemented through the CDF.

6. Coordination with Local, Regional, and National Agencies

Communication across government agencies is an important guarantee that CDF projects improve local development and service delivery, and that CDF projects are coordinated with parallel development initiatives of other government agencies. Officials from other agencies can provide technical expertise on development issues and assist CDF decision-makers to anticipate likely costs and implementation problems of potential CDF projects.

- **Identifying Policy Communities:** A Policy Community is a network of officials involved in a specific area of service delivery or governmental operations who share a common definition of the issues at hand. CDF decision-makers should consult with officials across the policy community to ensure that the selection and implementation of projects are consistent with existing regulations and operational standards. Coordination with local and national ministerial officials throughout the project selection and implementation will increase the likelihood of smooth CDF operations.
- **Coordination Mechanisms:** communication across the diverse policy community of government, parastatal agencies and CSOs will enhance prospects for effective decisions on CDFs that are consistent with national and local development priorities. These individuals should also participate in community meetings, public awareness campaigns and other activities.
- **Periodic Meetings:** MPs, CDF staff, local government staff and agency staff should meet regularly to coordinate CDF operations with those of line ministries. Meetings should have an agreed-upon agenda that evaluates past developments and upcoming planning associated with CDFs. A record of the meetings should be maintained and distributed among the participants in the meetings.
- **Opportunities for Learning, Innovation, and Adaptation:** Coordination within policy communities on specific issues addressed by CDFs will enable MPs, local officials and ministerial officials to develop new and more effective approaches to development challenges in constituencies. Routine coordination with other agencies thereby enables CDF decision-makers to transform country-wide development practices and accelerate the development of each individual constituency.

TOOL #4: PROCUREMENT, TENDERING AND CONTRACTING

Introduction

Part of implementation

A **Tool for Procurement, Tendering and Contracting** on Constituency Development Funds (CDFs) will assist MPs to facilitate effective implementation of CDF projects and boost public confidence in these funds. It includes mechanisms for issuing tenders, evaluating bids, ensuring timeliness in the contracting, awarding contracts for CDF projects and enhancing the value for money of CDF projects.

This tool serves as a guide to CDF practices in the acquisition of privately sold goods and services. Procurement takes place once a decision is made to pursue a project in accordance with national legislation and regulations. It begins with a detailed determination of specifications and costs for the project. A tender is then drafted, issued and publicized to all potential bidders. All entities bidding on the project complete a sealed proposal for the project. A tendering board opens, scores and evaluates all bids according to clearly specified criteria. In awarding a contract, the board selects the bid offering the best value for money.

Good practices in procurement embrace integrity, transparency and accountability at all stages of the process: true and open competition in tendering and contract award; open meetings, and equitable and fair distribution of information; and effective monitoring and auditing of all processes and implementation activities. The Procurement, Tendering and Contracting Tool will describe the different tools that can be adapted to different national funds in order to enhance the efficiency and transparency of CDF procurement.

A Spectrum of Procurement, Tendering and Contracting

There are different types of CDF tenders, procurements and contracts: projects involving infrastructure and construction require different types of activities and, in all likelihood, a different set of implementation activities than do procurements to administer scholarships or to engage in certain kinds of community activities and services. Consequently, the process of tendering and contracting of different types of goods is likely to vary in national legislation and regulation. Similarly, the rules governing relatively small and relatively large procurements are also likely to differ, with more expensive procurements subject to a more complex set of practices in procurements. Roles played by different levels of government officials and private actors differ in

these different types of activities. We now turn to the spectrum of different types of procurement with a goal of ensuring the transparency and efficiency of these processes.

Figure 5: A spectrum of Procurement Practices Guidelines

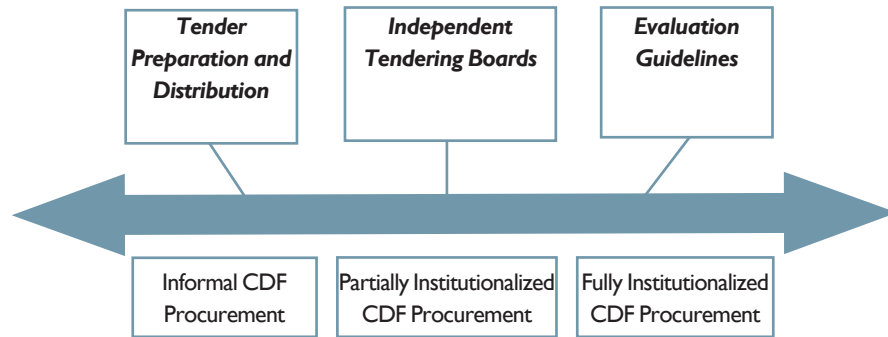


Figure 5 illustrates the range of potential procurement and tendering practices for CDFs. On one side of the spectrum, procurement is largely informal and substantially left to the discretion of individual MPs. In the middle of the spectrum, CDF procurement and tendering processes are governed by clearly specified rules and procedures, but also leave substantial individual discretion to individual MPs. At the other end, procurement and tendering are governed by clear, justifiable and objective criteria for bidders, transparent guidelines for evaluating bids, the absence of favouritism in awarding bids, and publicly available reports and audits to maximize transparency of the entire process of procurement.

CDF Procurement, Tendering and Contracting Tendering Tools

- **Tender Preparation and Distribution:** provides guidelines for the product or service and requirements for submitting a bid.
- **Tendering Boards:** an administrative body adjacent to the CDF committee for evaluating tenders in order to avoid the over-concentration of discretionary authority.
- **Tender Evaluation Guidelines:** establishes guidelines for evaluating technical and financial aspects of submitted tenders.

Informal CDF Procurement

Informal CDF procurement provides MPs and their representatives in constituencies with a great deal of discretion in awarding contracts on CDF projects. Procurement that is largely built around personal and/or political ties resemble a type of 'slush fund' in which tenders and contracts can be given in exchange for political support to individual MPs and/or political parties. These programmes also lack oversight of procurement processes that can lead to the timely completion of contracts. These contracts, whose standards are in accordance with national procurement standards, are established within the Ministry of Finance and/or other agencies that set the national standards for good practice in government operations.

Informal CDF procurement is likely to be highly insular among relatively narrow networks that exclude or inhibit participation by outsiders. Local government, civil society, auditors based in the executive and other political parties may not be in the position to play any role in tendering and procurement. In this way, informal procurement tends to be relatively inefficient and not fully transparent.

Partially Institutionalized Procurement

In the middle of the spectrum, partially institutionalized CDF procurement features comprehensive guidelines for tender evaluation and the awarding of contracts, but lacks rigorous oversight in order to ensure equity among bidders and efficient employment of CDF funds. Partially institutionalized CDFs publicize guidelines for the submission of tenders and clearly articulate the criteria for evaluating bids. In practice, however, the evaluation of bids takes place in the absence of full oversight of the process so as to lead, potentially, to bias in selecting winners in contracts and to non-enforcement of the criteria of cost efficient bids.

In partially institutionalized procurement, ineffective communication and cooperation among MPs and authorities in local government and ministries can lead to inaccurate information when drawing up the project and specifications in the preparation of tenders. This poor communication can lead to cost over-runs and other negative externalities in the completion of projects. These inefficiencies can be associated with weak oversight, incomplete transparency, and the capacity to enter into non-competitive relationships based on political affiliation or other form of solidarity between MPs, CDF committees and potential contractors in constituencies.

Fully Institutionalized Procurement

At the other end of the spectrum, fully institutionalized CDF procurement contains comprehensive guidelines for tender evaluation, and contracts are awarded transparently according to criteria blending cost efficiency and community improvement. It also transfers substantial elements of discretionary power from MPs to a procurement committee that independently draws up tender specifications and that has the authority to approve the awarding of contracts. Effective communications between the procurement committee, executive agencies and local authorities in constituencies can reduce abuse in the evaluation of bids submitted to complete the project. Full transparency of the process contributes to a framework that permits tendering boards to maximize value and minimize cost in evaluating bids. Each bid is scored according to identical and publically available criteria. The entity earning the highest score then 'wins' the contract.

Effective oversight of procurement can include internal parliamentary review, as well as review of the national audit institution of all physical and financial activity. Open procurement provides a sound foundation for effective implementation of a project and it improves the project's potential value-for-money. It involves full transparency within and outside of government at all stages of procurement, which is reflected in further monitoring and evaluation of procurement and implementation of projects financed by CDFs.

Fully institutionalized procurement can most readily be found in countries with substantial administrative capacity and with diverse policy communities of officials, politicians, CSOs and constituents with interests in discrete issues, such as education or health, for example. Actors in these communities are able to advocate for particular interests and can exercise oversight effectively over the government's implementation of policy.

Finally, it is frequently the case that CDF procurement takes place in accordance with the Public Procurement Act for the government so as to ensure that procurement for this type of programme is consistent with other types of government procurement.

Table 4. Types of CDF Procurement

Type of Procurement	Informal Procurement	Partially Institutionalized Procurement	Fully Institutionalized Procurement
CDF Operations			
Who manages Procurement?	MPs and their supporters.	Local stakeholders with ties to industry.	Independent Tendering Board.
Method of Bid Selection	Tenders awarded based on personal and informal ties to MPs.	Limited competition between select bidders.	Transparent and equitable competition between local and out of district bidders.
Level of Oversight	Minimal: CDF procurement takes place quickly, but not according to norms of good governance.	Limited: Procurement is more transparent, but informal relationships remain important.	Substantial: Procurement is both equitable and transparent with both internal and external oversight.
Efficiency of the Procurement Process	Minimal: projects are frequently over budget and produce low-quality products.	Limited: procurement expenditures are monitored but disconnects between experts and authorities limit efficiency.	Substantial: authorities are supplemented with expertise to ensure that procurement is cost-efficient and timely.
Role of MPs	Very Limited: no role or very small role in all stages of procurement.	Limited: possible role in appointing Board Members, determining project parameters.	Substantial: major role in all stages of procurement.
Role of CSOs	Minimal: little to no input on the procurement process.	Limited: CSOs have some input on the drafting of guidelines, but have limited oversight capacity.	Substantial: CSOs take an active role in the creation of procurement guidelines and monitoring and oversight.
Role of Central Government	Funds are dispersed and minimally tracked.	Guidelines for procurement are established but enforcement and oversight is inconsistent.	Procurement for CDF projects are actively regulated and audited.

Procurement Tools

Below are three tools designed to enhance the capacity of CDF tendering and procurement to contribute to enhancing the value-for-money and sustainability of the projects that are financed by CDFs. Each section defines the purpose of the tool and makes suggestions for employment of the tool.

1. Tender Preparation and Distribution

CDF Procurement begins with the establishment of project parameters and specifications followed by the drafting of tender documents. The two objectives in drafting tenders are:

1. *To state the objectives and/or goals of the project and establish precisely what goods, services or labour is to be procured, the period of performance of the contract, the amount of money to be awarded in the contract and any special considerations that may be taken into account in evaluating the bids, and other deliverables that will be part of fulfilling the contract; and*
2. *To establish guidelines for submitting a bid, which includes details on eligibility of potential bidders to perform the work, the timeline for submitting a bid, the criteria by which the bids will be evaluated and other considerations in formulating a proposal for the contract.*
 - A brief description of the technical requirements in the tender;
 - Design specifications, estimated quantities and timing of delivery/performance, metrics by which the project will be evaluated;
 - The closing date and time for submitting bids;
 - The precise address to submit bids;
 - The specific format for the information about costs in the bid;
 - The criteria of selection in technical and cost requirements;
 - Where complete versions of the tender documents can be obtained; and
 - Name of the office or officer and a telephone contact for enquiries.

Preparations of tender specifications require well-informed and realistic assessments of both technical and cost requirements in order to elicit proposals that can succeed at achieving the objectives of the project. The tendering board may consult with experts in particular areas in order to ensure that the project and/or programme specifications are realistic.

Equal opportunity should be provided to all potential bidders by advertising in media with wide local, regional and national coverage. This advertisement should contain a description of the project or service, required qualifications, and closing and

submission dates. It should also point potential bidders to a place where they can obtain the full tender. The advertisements also must be circulated simultaneously and with sufficient time for prospective bidders to prepare an adequate response. The equity of the process drops precipitously if tenders are released to select vendors first and others are not given enough time to file a competitive bid. The most effective tender advertisement will be public, clear and not tailored to any particular vendor.

2. Independent Tendering Boards

Independent Tendering Boards (ITBs), working under the auspices of CDF committees and MP leadership of the CDF in the constituency, embrace principles of fair procurement and avoid concentrations of discretionary authority that can bias or skew procurement towards a favoured contractor. ITBs manage the processes of providing specifications for the project, and of drafting, advertising and evaluating tenders. They evaluate all the bids on the project as described below in the Tendering Evaluation Guidelines, and choose the offer promising the best value for price and community. It may be desirable for the Independent Tendering Boards to be transformed, upon award of the contract, into Contract Management Committees (CMC) during the implementation of the project. Since board members are already familiar with the project specifications, as well as with the winning bidder, they would find it relatively easy to follow through in overseeing project implementation, as is shown in the Implementation and Operations Tool.

Because they sit on the organ responsible for both financial and technical aspects of the procurement, the tendering board members should blend technical expertise in finance, logistics and engineering, in addition to familiarity with the local communities in the constituency. A board of up to six individuals with diverse expertise can work effectively in tendering, but the larger the board becomes, the less able it will be to achieve the compromise of consensus necessary to work effectively. Similarly, a smaller board may lack some essential expertise to make a fully informed decision on tenders. Board members should avoid fraternization and other contact with bidders during the tendering process in order to maintain equity and transparency.

3. Tendering Evaluation Guidelines

It is important that the evaluation of bids takes place transparently and accountably, so as to enhance confidence among constituents, CSOs and other government officials that the procurement with CDF funds is an open, fair and unbiased process, and that the funds are being spent in accordance with the objectives of national CDF legislation. In addition, Tendering Evaluation Guidelines enable bidders to draft their proposals to specific areas of importance in achieving the objectives of the project. These guidelines

generally cover both technical and cost criteria in arriving at an objective and best-value assessment of the bids.

- For the technical evaluation, tenders should be assessed against non-price criteria, such as quality and/or sustainability, or on their technical merits without regard to cost criteria. These evaluations are typically documented.
- A financial evaluation of the prices tendered (or quoted) can also be undertaken, with the results of the financial assessment also to be documented
- A comparison of 'technical worth' and 'price' is undertaken in accordance with the criteria established in the tender document, to determine which tender represents the best combined offer. This combining of the two offers generally establishes the final ranking of the tenders.

In addition to specifying technical and cost proposals, the criteria for evaluation can include a bidder's expertise or past experience, as well as their capacity to engage in cost-sharing on the project.

There are many models of evaluation guidelines that mix technical and cost dimensions of proposals. A simple points system can be developed in order to score both technical and financial dimensions of each tender. For example, it may judge bids by awarding 50 points to both the technical and cost proposals. Points are awarded according to importance and priorities of different dimensions of each part of the proposal.

For example, the Technical Proposal can be 50 points as in the example below:

	Example #1	Example #2	Example #3
Past experience	(10 points)	(15 points)	(5 points)
Current capacity	(10 points)	(10 points)	(20 points)
Location	(10 points)	(0 points)	(0 points)
Personnel	(10 points)	(15 points)	(20 points)
Proposed programme of work	(10 points)	(10 points)	(5 points)

The distribution of points for each category reflects the weight given to different criteria for awarding the contract. Changes in this distribution reflect different priorities. Example #1 above weighs all criteria equally, while Example #2 gives more weight to firms/organisations with long experience and demonstrably better personnel. On the other hand, Example #3 will enable new firms/organisations to put together compelling bids because it asks for much less past experience as long as it has great current capacity to do the work and excellent personnel.

Example #1 may favour firms that are located in the constituency (as demonstrated by a high score in the criterion of 'Location') while in Examples #2 and #3, board members may believe that it is not possible to find the best contractor for the job in the constituency.

The Cost Proposal can be 50 points. The criteria for evaluation are typically:

- Realism and accuracy of the cost estimates.
- Extent to which the cost estimates are consistent with elements of the proposed programme of work.
- Extent to which the cost estimates reflect a clear understanding of the requirements of the project.

Each member of the Tendering Board arrives at their own evaluation separately and the separate evaluations are then combined for an overall evaluation of the proposal. Typically, the technical and financial evaluations are done separately and the Board members evaluating the technical dimensions of a tender do not have access to its financial specification in order to avoid one influencing the other. Having separately assessed tenders against technical and financial criteria, a comparison of 'technical worth' and 'price' is undertaken in accordance with the criteria established in the tender document, to determine which tender represents the best combined offer. This stage will establish the final ranking of the tenders.

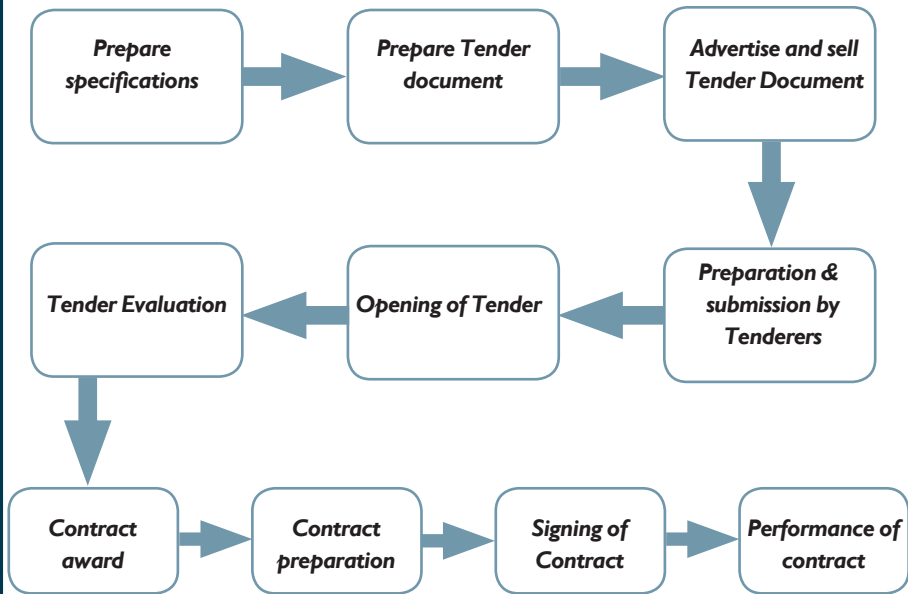
There are more complex schemes for evaluating tenders, as well. For example, the evaluation can employ weighted scores wherein each criteria of evaluation can be assigned a weight and all the weights add up to 100. Each evaluator assigns a score of 0-10 on each criterion, and this is multiplied by the designated weight to get the total number of points for the item.

Table 5. Scoring System for Vendor Proposals

Criteria (1)	0-10 Score (2)	(Weight) (3)	Weighted Score (2x3)
Demonstrated Competence	8	30	240
Experience in performance of comparable engagements	6	25	140
Conformance with the terms of the tender	7	10	70
Expertise and availability of key personnel	8	15	120
Reasonableness of Cost	6	20	120
Total Weighted Points		100	700

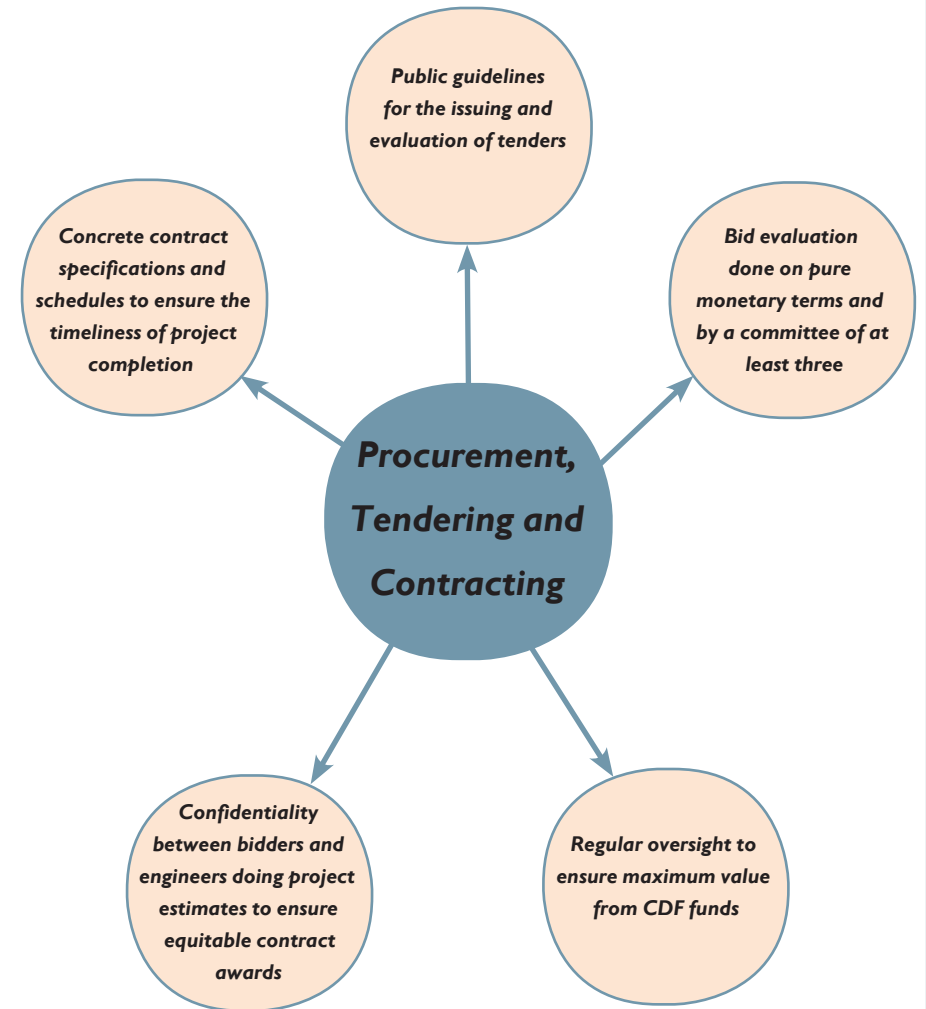
In all cases, once all the proposals have been scored individually, the Tendering Board will meet to develop consensus scores for each vendor, a process that can take several hours or more depending on the length of the proposals and the availability of board members. Scores are averaged with the top highest vendors for presentations and/or site visits. Following these visits or presentations, the Tendering Board then meets again to select the highest scoring vendor for contract negotiations. If no site visits of presentations are held, negotiations can begin with the highest scoring vendor.

Figure 6. Stages of the Procurement Process (Open Tender)



Source: "The CDF Social Audit Guide: A Handbook for Communities." Open Society Initiative for East Africa, 2008.

Figure 7: Core Components of Effective Procurement



TOOL #5: IMPLEMENTATION AND OPERATIONS

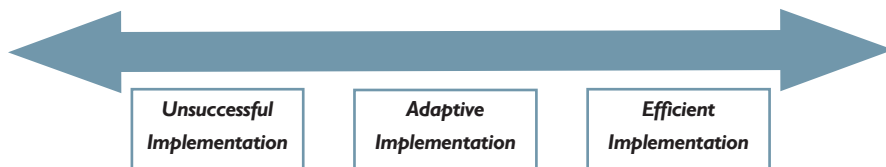
Introduction

The **Implementation and Operations Tool** gives guidance to MPs and CDF committees on operational procedures in the implementation of Constituency Development Fund (CDF) projects in a manner that is in accordance with the values, objectives and mandates contained in national legislation on CDFs. The project cycle includes 7 steps – from the identification of a need for a project, formulation of project specifications, approval by authorizing agencies, procurement and tendering, implementation, monitoring and reporting, and evaluation by auditors and CSOs (see **Figure 9**).

This implementation and operations tool provides guidance for MPs and CDF committees in managing contracts of CDF-financed construction projects and other types of activity. It applies good governance and management standards in the execution of CDF projects and contributes to improvements in service delivery in constituencies, and strengthens the role of MPs in the network of governance throughout the country. Good management practices in the execution of CDF projects will also help CDFs to fulfill their promise of improving the quality of life in constituencies. This tool provides options on different aspects of managing the implementation and operations of CDF-financed programmes of activity.

In the following section, we propose implementation and operations practices that emerge from the Principles and Guidelines for Constituency Development Funds that the CPA developed and adopted in 2011 and from the design for the toolbox developed in 2012.

Figure 8: Dimensions of Implementation



Images of Implementation and Operations

As shown in **Figure 8**, there are three images of CDF projects that provide context to the way in which MPs, CDF committees and other government officials implement programmes of activity and projects funded by CDFs: unsuccessful implementation, adaptive implementation and efficient implementation.

1.1 Unsuccessful Implementation

At one end of the spectrum is unsuccessful implementation. There are occasions when CDF projects are subject to disorganisation in planning and management, minimal oversight of contractors and work sites, and even misuse of funds and resources. This can result in poorly constructed or uncompleted projects, unaccounted for or embezzled funds, and/or money being paid to the wrong people or not being paid at all projects going on unlimited hiatus.

Unsuccessful implementation can be the result of a new MP discontinuing the execution of a project that had been begun earlier by an MP in another party, the failure to plan adequately in preparing the tender or in effectively evaluating the bids for the tender.

1.2 Adaptive Implementation

In adaptive implementation, the primary goal is to achieve the objectives of the project. This focus on ultimate objectives can lead implementers to make adjustments for previously unforeseen obstacles during the course of completing the activities on the project. Construction can be delayed because materials are temporarily unavailable, because of poor weather or illness of key personnel among the contracts, among other reasons. Revisions in timing, type of materials used, design of facilities, etc. may be adjusted to reflect a realistic appraisal of changing circumstances in which the project is being completed.

Whilst adaptation in method is intended to achieve the original objective – e.g., construction of a road, a wash room, repairs or extension to existing infrastructure or provision of scholarships – it is also possible that the original objective, itself, can change during implementation in order to adapt to the changing circumstances. In these cases, adaptive implementation either achieves the original goals of the project or reflects the evolution of those goals. It requires close consultation between implementers and the committees overseeing the operations and implementation of the project.

1.3 Efficient Implementation

In efficient implementation, contractors achieve the intended objectives of the project in goals of the project within the time originally allotted for the project. The specifications and projected costs for the project have been realistically drafted, and the Tendering Board selected a contractor with the capacity to complete the work in a timely manner.

CDF Implementation and Operations Tools

Not all CDF programmes of activity and projects are alike: contractual arrangements for infrastructure and building projects elicit a different set of implementation activities than does support to a scholarship programme or to specific types of community activities and services. Because government officials and private actors play different roles in different types of activities, not all types of CDF programmes will require a similar approach to implementation or will look to the same type of organisations in executing projects associated with implementation.

A different type of contractor will complete the construction of a building or a road than will be administering a scholarship programme for excellent students or provide support to a cultural programme in a community. The type of relationship with executive ministries and/or local government will also differ depending on the type of programme envisioned in the contract. Similarly, the metrics by which the programme or contract will be evaluated will also differ significantly from one project to another. CDF committees, tendering boards and contract management committees should plan accordingly for different types of CDF programmes of activity and take these differences into account.

The approach to managing these differences can be best reflected in the type of agreements and/or contracts that are concluded to achieve the objectives of the project or programme of activity. These agreements will reflect the practice of the national government in contracting with non-governmental organisations and businesses. Similarly, CDF committees will collaborate closely with executive agencies and ministries, and local governments in this work.

Table 6. Types of CDF Implementation

Type	Unsuccessful Implementation	Adaptive Implementation	Efficient Implementation
CDF Operations			
Method of Implementation and Project Management	Minimal planning, low capacity of implementers.	Contract Management Team (CMT) works closely with implementers and contractors to resolve unforeseen obstacles, possible evolution of project methods, goals.	Effective planning, routine interactions among Contract Management Team (CMT) and implementers or contractors.
Amount of MP Participation	Substantial involvement, but can end with MP's election loss.	Possibly substantial in assisting contractor to overcome obstacles.	Minimal participation in favor of technical experts in ministries, local administration and contract management committees.
Role of Government Ministries	Agencies perform basic audits on project expenditures.	Agencies establish standards for contracts in addition to tracking funds.	Agencies establish standards, oversee expenditures and complete audits.
Role of CSOs	CSO's perform independent oversight.	CSOs can sit on Contract Management Teams and also conduct independent oversight.	CSOs can sit on Contract Management Teams and also conduct independent oversight.

The following describes the role and tasks of the **Contract Management Team (CMT)**, which is the body working under the authority of the MP and constituency based CDF committee. The Contract Management Team provides essential services to the CDF in its oversight of the implementation of CDF programmes of activity and individual projects in constituencies.

Contract Management Team (CMT)

A Contract Management Team (CMT) oversees and manages the project during implementation. All or some members of the Independent Tendering Board can become part of the Contract Management Team in overseeing the project in the first instance as the responsible body managing the implementation of the project. Technical experts from ministries and/or local government can also participate in the CMT. The CMT continues the work of the Independent Tendering Board that is described in the Procurement, Tendering and Contracting Tool, and works under the authority of the CDF Committee in managing the day-to-day activity of the project and in accordance with national regulations governing the implementation of government-financed procurements. CMT members should have technical capacity to understand the challenges associated with the project, and also reflect the interests in the constituency, including those of local government and ministry representatives, and independent associations.

The CMT will maintain relationships with relevant executive agencies and ministries involved in the CDF, such as the Ministry of Rural Development and Local Government or the Office of the Prime Minister. It will monitor the implementation of the project and activities to ensure good management and the achievement of objectives and targets within the contracted time frames and in budget. It will establish and manage the day-to-day relationship with the stakeholders; report to the CDF committee in the constituency; review the quality of construction or other activities in implementation, and ensure that finances are available in bank accounts to pay out to the contractor upon achievement of benchmarks and the project objectives.

The CMT requires adequate support for its activities and will take its own budget from that small portion of CDF funding which goes to administration and management of CDFs. Compensation for individuals not employed by the government for serving on a CMT, similar to the compensation for members of a Tendering Board, can be with a modest honorarium for these services.

Many governments have developed legislation and/or extensive regulations on project management of CDFs that are in accordance with broader legislation on public finance, procurement and other aspects of government management of programmes and relationships with private contractors. This legislation will also reflect the particular circumstances of public administration in each government. Against this background, a number of significant implementation issues should be taken into account in the project management and implementation of CDF programmes and projects.

- **Payment Terms:** the CMT will act in accordance with national legislation and regulations in following practices for creating and managing bank accounts that will provide payment to contractors and agencies involved in implementing CDF projects. It will also observe the conditions in these regulations for establishing a schedule of payments, determining the signatories to these accounts, setting up accounting vouchers, establishing the system of financial reporting from the contracts and other matters pertaining to financial management of the projects and activities to achieve the objectives of the CDF.
- **Risk Management:** The CMT should be aware of potential risks attending the completion of work on CDF projects and programmes of activity and develop strategies that assist implementers to overcome these difficulties. These risks include weather related difficulties, shortages of material and labour to complete the work, and the failure of implementers to observe their part of the contract. The CMT can:
 1. Draft a risk management plan that identifies all potential risks for different types of projects;
 2. Develop a set of contingency plans to mitigate the consequences of these potential risks; and
 3. Take adaptive, ameliorative action that will enable the achievement of the programme or project objectives.
- **Dispute Resolution and Contract Termination.** It is desirable to have in place an approach to disputes between the implementers and the CMT that is contained in the agreement or contract that is concluded to complete the work on the programme or project. Such a clause should note that disagreements in completing the contract shall be subject to good faith discussions between the Parties seeking an amicable, informal resolution. In the absence of a resolution to this dispute, then one of the parties may wish to file suit in a court or to manage the dispute via binding arbitration, which would legally resolve the dispute. In

the event that the CMT believes that the implementer has not fulfilled his responsibilities as contained in the contract or agreement, then it may terminate the services. The CMT can terminate for default if the implementer:

1. Fails to strictly perform in accordance with all requirements of the agreement;
2. Fails to make progress so as to endanger performance;
3. Fails to provide adequate assurance of performance or capability to perform in a timely manner upon request; or
4. Becomes, in the opinion of the CMT, insolvent or otherwise financially or legally incapable of completing the Subcontract.

- **Branding Strategy.** Under the direction of the MP and CDF Committee, the CMT should develop a branding strategy that builds the reputation of the CDF as a legitimate source of funding for improving services and development in constituencies. Such a strategy can ensure that a CDF logo and designation is placed on contract deliverables and materials in a manner that strengthens the image of CDFs in constituencies and more broadly. The MP and CDF Committee members, under whose authority the programme or project was developed and implemented, can also be mentioned on these deliverables and materials.

- **Reporting.** The CMT will also oversee the reporting on progress in achieving the objectives of the project or programme of activity. Ideally, these reports should be consistent with the type of reporting that is addressed in the Impact Assessment, Monitoring and Evaluation Tool. Similar to the other implementation practices and tools outlined in this document, this reporting will reflect national legislation and practice in reporting on the achievement of contracts. The goal of reporting is to develop a record of financial transactions and technical activities that are associated with the implementation of the project or programme of activity. It can include:

1. Discrete work plans,
2. Monitoring and evaluation plans,
3. Periodic performance reviews (monthly, quarterly, annual),
4. Financial reports, and
5. An overall final report.

The periodic performance reviews and final report can address what has been done in the reporting period, what has been achieved in the reporting period, obstacles encountered and the manner in which they were addressed and overcome, lessons learned from the activity, projected activities in the upcoming period, and recommendations for future activities that are not currently underway.

Figure 9: CDF Project Cycle



Adapted from: Services Improvement Programme, Administrative Guidelines, Papua New Guinea Department of Implementation and Rural Development.

TOOL #6: IMPACT ASSESSMENT, MONITORING AND EVALUATING CDFs

Introduction

The **Impact Assessment, Monitoring and Evaluation Tool** will provide a guide to the use of internal Monitoring and Evaluation (M&E) for Constituency Development Fund (CDF) committees; social audit methodology and other models of public participation in monitoring and evaluation by constituents and CSOs; Governmental audit procedures; and evaluation of CDFs' impact on service delivery and local development. This tool will also cover impact evaluation that assesses the implementation of CDFs against broader national priorities in development. It will assist in mapping out the process for understanding practical matters, such as identifying needs and links to be made for CDF performance review and to annual budgetary perspectives. It will identify challenges of integrating CDFs with contributions of the community and other agencies to CDF projects.

Monitoring and evaluation (M&E) is essential to the accountability of CDFs among constituencies and other stakeholders in government. An M&E plan is a systematic and objective process for monitoring project performance against its objectives over time.

- **Monitoring** uses systematic collection of data on specified indicators, e.g., on costs, procurements, timeliness of performance and quality of work, and the number of beneficiaries of services. This provides feedback for stakeholders, such as MPs, staff in the Constituency Office and constituents, to ensure that the CDFs are making progress towards achieving desired results.
- **Evaluation** of CDFs is the systematic and objective assessment of an ongoing or completed programme or project, including its design, implementation and results. Its aim is to determine the relevance and fulfillment of objectives of the CDF project, as well as its effectiveness, impact and sustainability.
- An **Impact Evaluation** assesses changes in the well-being of individuals, households and communities that can be attributed to a particular CDF project or programme. The central impact evaluation question asks what would have happened to those receiving the intervention if the CDF-financed project not been undertaken.

M&E provides an objective method to track the progress in an individual CDF project, in constituency-wide CDF programming and, more broadly, in the CDF programme nationally. This information can be used to adjust planning and make improvements to individual projects and in broader programming into the next phase of development. M&E can also help to identify malfeasance, such as the misuse of CDF financing or poor quality in the completion of projects, and provide the basis for ameliorative action. Impact evaluations

provide an objective method to determine the impact of CDFs on the community against possible other types of development or service financing. By improving the overall functioning of CDFs, effective M&E and impact evaluation can contribute both to building accountability of the CDF programme and to enhancing its legitimacy as a policy tool. Over the past decades, M&E has evolved to become an entire menu of activities that are performed in many offices within and outside of government. M&E takes place among implementers, planning agencies, programme evaluation offices, national audit offices, independent audit agencies, parliamentary oversight committees, civil society organisations, and the mass media. Each agency or organisation has its own mandate and different degrees of legal authority in enforcing recommendations that emerge from its evaluations. Some agencies communicate their findings directly to the public, while others direct their findings to other government agencies with broader responsibility for oversight of such programming.

Where does M&E fit into the policy cycle? It is an integral part of programme planning and cycles that begin with the initiation of a project to its implementation. The parameters for the M&E collection of information on projects where MPs help to determine spending on public goods and services in their constituencies emerge from the programme's objective in a logic model. The collection and analysis of information on all phases of project planning can help increase confidence to all relevant stakeholders and audiences that CDFs are a legitimate policy tool.

Figure 10: The Project Cycle

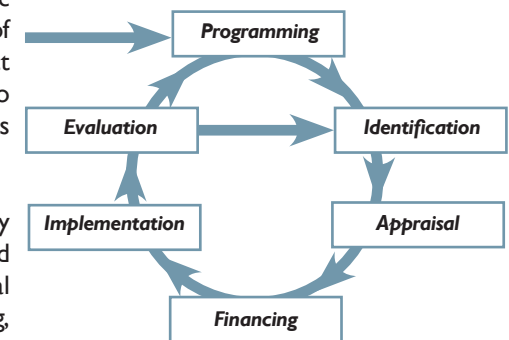


Figure 10 shows how policy programmes identify activities and projects, appraise potential social value of the project, develop financing, implement the project and then evaluate it along several dimensions. Effective M&E takes place during the entire project cycle via systematic information collection on all aspects of project development and this information feeds back into future programming.

The 'logic model' depicted in **Figure 11**, which provides one standard framework for M&E, begins from an objective for CDF financing (e.g., building a clinic, providing public lighting in a neighborhood, or establishing a scholarship programme for students). It then

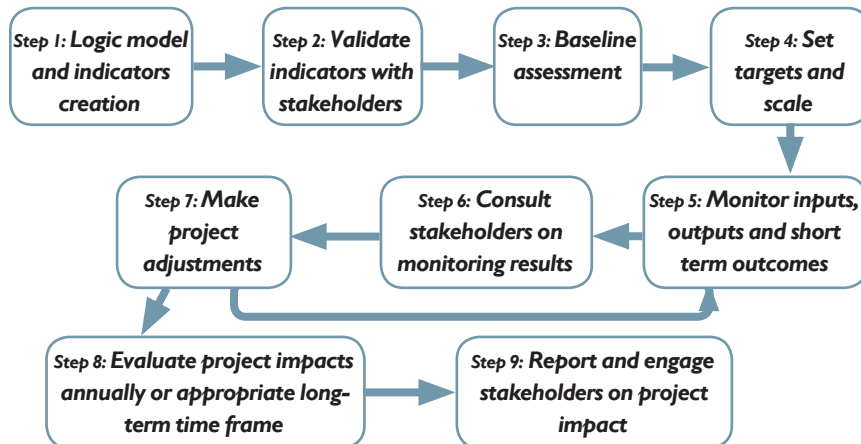
identifies the resources and activities that lead to provision of goods and services and to near-term outcomes and medium-term impact on the beneficiaries and the constituency, more broadly. M&E systematically records indicators for resources and inputs, activities, outputs and outcomes during the life of the project, and provides the basis for the broader analysis of impact.

Figure 11: Example of a Basic Logic Model

1. Resources / Inputs	2. Activities	3. Outputs	4. Indicators	5. Outcomes	6. Impact
<i>The following resources are necessary:</i>	<i>The following resources are necessary:</i>	<i>The following goods/services are provided:</i>	<i>Indicators for 1-3 (left) & 5-6 (right) identified:</i>	<i>The following changes, over 1-6 years:</i>	<i>The following changes, over 7-10 years:</i>
For example, equipment, financing	For example, tendering, construction	For example, clinic, scholarship programme	(Validate the indicators with CDF stakeholders)	For example, more constituents visit doctors, and or go to university	For example, better health or better services locally

Figure 12 depicts a comprehensive M&E framework that begins with a Logic Model and creation of indicators to track the success of the project and in which M&E is essential to the implementation of the project. M&E is built into the project from the very beginning with the identification and validation of indicators. The targets for achievement emerge

Figure 12: Monitoring and Evaluation Framework



out of an initial baseline assessment at the outset of the project in the constituency on the initial status of all agreed-upon indicators. M&E is seen as an integral part of the project's implementation: data on the indicators are collected through each stage in project development, and provide a basis for consulting stakeholders and making adjustments to the work during implementation. The framework concludes with an impact evaluation and report to stakeholders on the project.

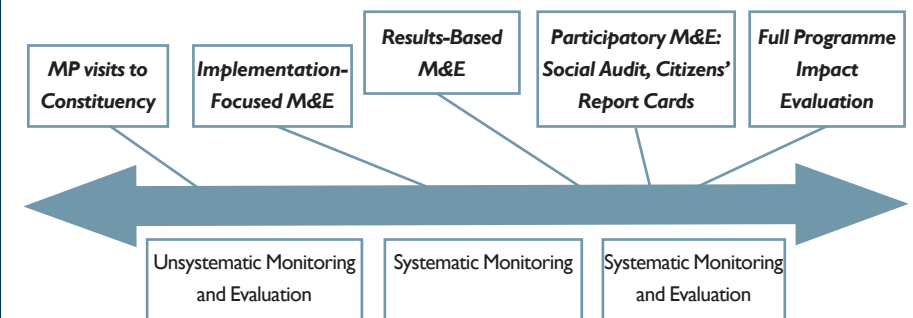
A Spectrum of Impact Assessment, Monitoring, and Evaluation of CDFs

Figure 13 illustrates the potentially broad range of M&E approaches to CDFs. On one side of the spectrum, the M&E is unsystematic and does not provide much useful information on project planning or implementation. In the middle of the spectrum, M&E for CDFs involves the systematic collection of information on the initiation and implementation of the programme, but may eschew both the longer-term and deeper analysis of the experience in implementing CDF projects in constituencies that is depicted at the right end of the spectrum.

Unsystematic Monitoring and Evaluation

On the left side of the spectrum, M&E is not a central part of CDF programming and official audit agencies at all levels of government do not engage in systematic collection of information on the local CDF committee or other stakeholders may pay attention to the project. Further, the media and civil society, as unofficial watchdogs, may pay close attention to the project cycle and examine the probity and effectiveness of public financing. But this collection of information on CDFs plays no formal role in decisions about adjusting implementation mid-stream, future directions for CDFs in constituencies and action taken in the event of apparent malfeasance.

Figure 13: A Spectrum of M&E and Impact Evaluation for CDFs



Systematic Monitoring

In the middle of the spectrum, M&E is viewed as part of the CDF programming, including the systematic collection of information on CDF performance that focuses on the identification of projects, contracting and the completion of project construction. This monitoring can be done by the local CDF committee, by a CSO or by a government audit agency at the local or regional level. It can be done from the outset of the projects to ensure that the information is comprehensive. The chief concern of this monitoring is to ensure that the CDF is accomplishing its task, that there is little room for malfeasance and that the projects are completed in a timely and effective manner. This monitoring addresses whether the projects have been conceived, implemented and completed in a manner consistent with the rules and procedures for CDFs. Governmental officials can employ this information mid-stream to make some adjustments to the project and at the end of the fiscal year to make some changes in procedures in developing future CDF projects. External actors, e.g., CSOs and mass media, sometimes use this information to question the quality of the programme and raise other controversial issues.

Systematic Monitoring and Evaluation

At the far right of the spectrum, M&E moves beyond project monitoring to consider broader questions in the effectiveness of CDF-financed projects. It can employ experimental and quasi-experimental methods of research to explore whether CDFs provide an effective approach. MPs, staffers or members of other organisations can order such evaluations: parliamentary committees, government audit agencies, independent audit agencies and CSOs, for example. It asks about the extent to which CDFs deliver:

1. MP visits to constituency

The visits of members of parliament to their constituencies can serve as an important element in a system of M&E for CDFs. MPs can employ their visits to meet with the local CDF committee and other stakeholders, to examine the project or service financed by the CDF, and to meet with ordinary constituents to gauge the extent to which the services provided by the CDF are employed effectively. Such visits help to strengthen relationships between the MP and the diverse groups of constituents and other stakeholders, as well as to check up on progress in developing the local services provided by the CDF. Such visits do not constitute an effort to systematically monitor progress in the development of a CDF-financed service or an evaluation of the local effects of such a service. They neither represent formal monitoring of progress nor are legally binding in their ‘result’. However since MP visits can attract media attention and thereby enhance the transparency of the constituency-based CDF programme, it is important that such visits be placed into a broader M&E programme.

Table 7. How Different Types of Monitoring and Evaluation Address Project Development

Type of M&E Activity for:	Unsystematic Monitoring and Evaluation	Systematic Monitoring	Systematic Monitoring and Evaluation
Input: Public Participation	No collection of information on participation.	Information on participation is collected.	Information on participation is systematically collected and analysed.
Input: Project Selection	No collection of information on how projects are selected.	Information collected on how projects are selected.	Information on project-selection systematically collected and analysed against needs in constituency.
Input: Tendering and Procurement	No collection of information on tendering and procurement.	Information collected on tendering and procurement.	Information on tendering and procurement systematically collected and analysed..
Output: Meeting Project Timelines	Timeliness of project completion is noted.	Information on benchmarks and completion of project collected.	Information on benchmarks and completion of project is part of impact evaluation.
Output: Financial Management and Probity	No collection of data on financial disbursements, cost-effectiveness, etc.	Data on disbursements and cost-effectiveness collected.	Data on costs collected and analysed to determine comparative effectiveness of usage.
Output: Reporting and Adjustments	Occasional reports of anecdotes; few adjustments to work.	Routine reporting of collected data; some mid-term changes in work.	Reporting of detailed analysis including data, analysis of impact; long-term changes to programme.
Outcome: Quality of Product or Service	Little follow-up on effects of CDF-financed project.	Review of quality of CDF-financed project.	Review of quality of CDF-financed project in broader, systematic analysis of impact.
Outcome: Utilization of Product or Service	Little follow-up on use of CDF-financed project	Information collection on use of CDF-financed project	Information on use of CDF-financed project and broader, systematic analysis of impact
Outcome: Impact Evaluation	Impact Evaluation by anecdote and previously-held assumptions	Narrow impact evaluation confined to sector	Broad impact analysis that compares CDF to other types of spending

2. Implementation-Focused Monitoring and Evaluation (IFM&E)

Implementation-focused Monitoring and Evaluation (IFM&E) systems assess how well the project or programme is being executed by addressing the compliance question of whether the implementers actually did what they planned to do. This traditional type of monitoring asks whether they mobilize necessary inputs, undertake and complete the agreed-upon activities and provide the intended services or products.

A variety of organisations can engage in this basic and systematic monitoring. The implementers can keep records of progress in completing the projects according to the agreement or contract. This information can provide a basis for constituency-based CDF committees to sponsor an internal audit and/or performance review in order to exercise oversight of the project and to verify the information that is collected. At regional and/or national levels parliamentary committees and independent government audit agencies (e.g., a Supreme Audit Institution) can also employ such basic information to provide overall tallies of results for CDF projects regionally or nationally. In some places, organisations outside the government, such as contractors or civil society organisations (CSOs), can engage in systematic monitoring through arrangements with the broader CDF programme. IFM&E is an essential tool in a broader 'evaluation and impact' menu. It can measure financial flows and timelines for achieving deadlines and benchmarks that are in compliance with the agreed-upon goals of the project. It can assess whether the quality of the product or services provided meets the standards promised in the agreement. It provides the building blocks to broader evaluations of individual projects, constituency-wide spending and to the CDF programme, more broadly.

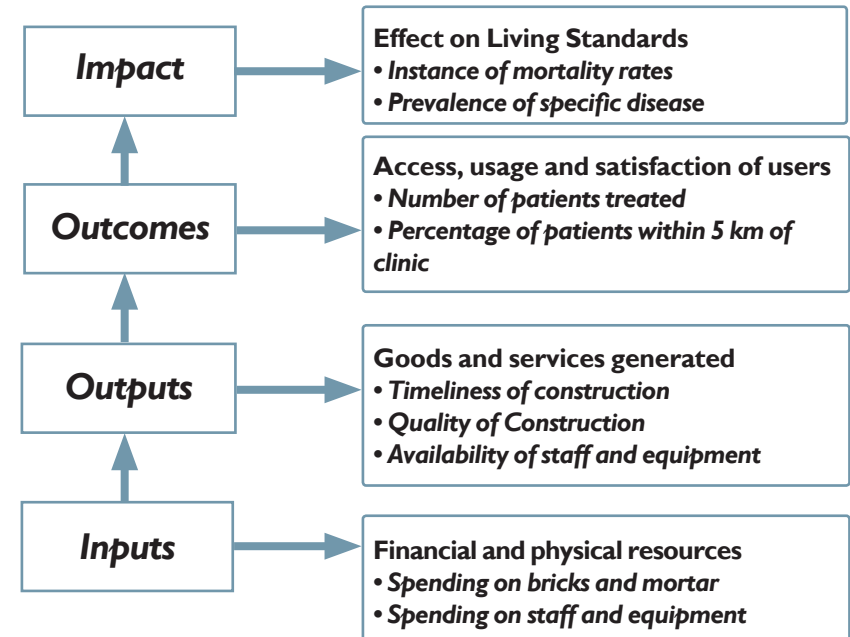
3. Results Based Monitoring and Evaluation (RBM&E)

Results based Monitoring and Evaluation takes a further step in a continuous process of collecting and analyzing information to compare how well a project, programme or policy is being implemented against expected results. It explicitly draws links between the implementation of a project or programme and the results, and thereby addresses the 'so-what' question and moves to explore the effects of the CDF on the constituency. It establishes a way to demonstrate whether the goals of the organisation are being achieved or not and asks 'whether the inputs, activities and outputs provide the results called for in the constituency?'

Monitoring and evaluation should take place throughout the life cycle of the project or programme and include continuing streams of data and feedback – from project design through implementation and impact evaluation. RBM&E will explicitly draw a link between the completion of a CDF-financed project and the results (or outcomes) of that programme. For example, it will demonstrate increases in the number of children

attending school in a village following the construction of a school building, or increases in the number of patients treated following the construction of a health clinic in the village. This information is useful internally as a management tool for CDF managers and the MP to achieve the results and targets – as it speaks to progress, problems and performance in the project and in the CDF. Externally, this information can communicate results to stakeholders, constituents and the broader public who are expecting results and expecting to see demonstrable impact from government action and public finance. This can help to build greater trust in CDFs, the parliament and the government, more broadly. An example of RBM&E is seen in **Figure 14**.

Figure 14: Results-Based M&E on CDF construction of small clinic in constituency



4. Participatory Methods: Social Audit and Citizens Report Cards

Participatory methods of Monitoring and Evaluation can help to ensure good performance in implementation and service delivery and engage a range of external stakeholders, including ordinary constituents, into the programme. For example, a Social Audit provides public vigilance by enabling the potential beneficiaries and other CDF stakeholders to be involved in the monitoring and implementation of CDF-financed projects.

Typically managed by an external actor, such as a CSO, a social audit is a method through which a CDF project can be scrutinized at a public meeting. It involves gathering and collating information about each stage of the project's development from CDF committees, local government and other public agencies, and sharing the information in communities where a public hearing will be held. Officials from the CDF, including committee members and the MP, can attend the public hearing that provides feedback to the constituency based on the information. A formal report is then drafted to send to public officials concerning the project. A tool that can contribute to a social audit are *Citizen Report Cards* or *Participatory Surveys* that solicit user feedback on the performance of CDFs as an instrument to exact public accountability through the extensive media coverage and civil society advocacy that accompanies the process. The survey data aggregates scores given by users for the quality and satisfaction with individual CDF projects and constituency-wide CDF programming in health, infrastructure, education and the like. The findings thus present a collective quantitative measure of overall satisfaction and quality of services over an array of indicators.

Participatory M&E can both help to strengthen the popular basis for CDFs and assist MPs and CDF committees in their oversight of CDF projects. A CDF project team that is open to this participation can also ensure that any barriers to completion are not popularly attributed to malice or mismanagement. It helps both to demonstrate official transparency in policy making and to make known positive feedback on CDF programming in the constituency. And depending on the nature of the social audit and the organisation conducting the audit it can be either highly formal or informal. Such popular feedback can be especially helpful on individual projects in constituencies and bring constituents to participate directly in overseeing these projects.

5. Full Programme Impact Evaluation

A full programme impact evaluation explores the overall impact of CDFs locally and nationally on the policy-making environment. It investigates whether the project had the intended effect within the constituency; and analyzes the overall or net effects of the project. It builds on the organisational and process monitoring in IFM&E that explores the efficiency in implementation, probity in procurement, tendering and finances, and then turns to the effect of CDF programming on the constituency, as well as unintended consequences and lessons learned. It is generally done under the auspices of the Supreme Audit Institution or a nationally-based independent audit institution with a goal of evaluating the broader effectiveness of CDF programming across the country. Impact evaluation assesses changes in the well-being of individuals, households and communities in constituencies that can be attributed to CDF-funded projects and the CDF programme

more broadly. The central 'impact evaluation question' asks what would have happened to those receiving the intervention if they had not received the CDF. It is aimed at providing feedback to help improve the design of CDF programmes and policies. In addition to providing for improved accountability, impact evaluations allow policymakers to improve ongoing programmes and engage in better CDF planning. It builds on the organisational reviews and process monitoring in implementation focused M&E and estimates the magnitude of effects of CDFs with clear causation. Such causal analysis is essential for understanding the relative role of alternative interventions achieving constituency-based development objectives and service delivery. In order to measure the impact of CDF programming, a clear, well-designed evaluation strategy is necessary. Incorporating an impact evaluation into the CDF programme requires a well-structured monitoring and evaluation plan with a specific methodological design whose assumptions and expectations are clearly stated. An appropriate design and methodology for the broader M&E process and impact evaluation can be chosen through conversations among MPs, CDF committee staff, staff from executive agencies and local government, and independent researchers.

What are some examples of methods typically used by the World Bank and other organisations that foster good governance? Experimental and quasi-experimental methods that objectively and systematically explore whether the CDF provided the most effective way forward provides the 'gold standard' for impact evaluations in the current era. A quickly growing literature explains precisely how to develop such systematic analysis and organisations across the globe are increasingly employing these methods when it is possible. The appropriate data collection methodology depends on the project objectives and the desired data required. It can include the collection of project and agency records, surveys, interviews, observation, key informant interviews, paired-group analysis, community group interviews, focus group interviews, cost-benefit analysis, cost-effectiveness analysis and focus groups.

It is not always simple to complete a full programme impact evaluation. First, as governments increasingly employ full impact evaluations to all of its programming, they must develop programme priorities, in which CDFs are but one government programme that may not be at the top of the list. Further, because a full impact evaluation requires considerable analytic skill and staff/research capacity on the part of the organisation performing the evaluation, there may be a broader need for capacity development and training to undertake this work. Finally, CPA recognises that unique circumstances facing some of the small jurisdictions within the CPA may make the routine completion of comprehensive impact evaluations considerably more complicated and in need of innovative research strategies. These mitigating factors suggest that MPs and policy

makers in the Executive may wish to schedule full impact evaluation on CDFs in intervals of five years or even a bit longer in order to ensure the benefits of such feedback into programming without squandering scarce resources.

These considerations underline the importance of full impact evaluations, which fit into the chain of monitoring and evaluation in several ways. First, they help to assess the casual link between CDF programming, better service delivery and a higher quality of life in constituencies. Second, impact evaluations provide baseline evidence for the effectiveness of CDFs, which can be compared with other similar interventions. Through this process, impact evaluations assist in establishing credible cost-effectiveness comparisons. Third, impact evaluations can serve to build the knowledge base of what works in development. With an increasing demand for evidence of aid effectiveness, rigorous evaluations offer a method through which development successes can be highlighted.

CONCLUSION

This handbook is designed to serve Parliamentarians and other public officials. It contains a set of principles that emerge from globally accepted norms of good governance, and presents tools that can assist in managing Constituency Development Funds in the distinct national and subnational institutional settings throughout the Commonwealth. It addresses: financing the funds and distributing the financing among constituencies; establishing formal legislation and administrative guidance to managing the funds; strengthening public participation in identification of needs in constituencies; tendering and procurement of goods and services in constituencies; implementing projects and programs; and monitoring, evaluating and determining the impact of CDFs in constituencies. The tools are not carved in stone for all time, but have been drafted and recorded as a 'snap shot' that can inform current good practice in public management.

These tools provide Parliamentarians and their constituents with information on how CDFs can most effectively assist in the improvement service delivery and to enhance the quality of life in constituencies. CDFs are not meant as stand-alone programmes of goods and services, but as one set of instruments that can be applied in coordination with programmes of local government, district agencies and central government ministries. We hope that this handbook provides a first set of steps that can assist MPs and staff who lead work on CDFs to strengthen their own capacity to manage these funds in such a way that they become instruments of good governance in the Commonwealth in the 21st century.



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Handbook on Constituency Development Funds (CDFs): Principles and Tools for Parliamentarians

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