



Centre for Trade Policy and Development

**Assessing the Implementation and Impact of Constituency
Development Fund in Zambia: Utilisation, Challenges and
Success Stories in Selected Districts**

Final Report

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September 2024

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Acknowledgement

The Centre for Trade Policy and Development (CTPD) expresses its sincere appreciation to the Open Society Foundation (OSF) Africa for their financial support, which made the completion of this report possible.

We extend special recognition to our lead researchers, Mr. Elijah Mumba, Ms. Lucy Musonda, and Mr. Isaiah Mbewe, for their dedication and expertise in conducting the analysis presented in this report. Their commitment was crucial to the successful completion of this work.

We also acknowledge the guidance and oversight provided by Mr. Ibrahim Kamara, CTPD Head of Research. His leadership and expertise were instrumental in shaping the direction of this report.

Lastly, we would like to thank our partners, the Alliance for Community Action, and other stakeholders who contributed to this report through their collaboration and input, enhancing the overall quality and depth of our analysis.

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Executive Summary

This study assesses the implementation and impact of CDF in Zambia, focusing on selected across six provinces. The research was conducted against a backdrop of increasing CDF budget allocations in the last three years, from K1.6 million in 2021 to K30.6 million in 2024. The study's primary objectives were to examine CDF utilisation rates and trends, identify the challenges local authorities face in implementing CDF, and provide targeted recommendations for enhancing the fund's impact. A mixed-methods approach was used, combining qualitative and quantitative data collection through interviews with local authorities, focus group discussions with CDF beneficiaries, phone-in radio programmes, and a review of secondary sources. A total of ten districts were purposively selected to capture a diverse range of experiences with CDF implementation.

Key findings indicate a general decline in CDF utilisation despite the increased budget allocations. Rural districts, such as Kazungula and Katete, faced challenges, including delays in project completion, limited capacity among local contractors, and bureaucratic inefficiencies. Urban districts like Livingstone and Kitwe exhibited higher utilisation rates, though they also faced challenges. The study also identified issues such as the misuse of empowerment funds, low loan repayment rates, and disparities in the uptake of educational bursaries between rural and urban areas.

The study identified several cross-cutting challenges that affect the overall effectiveness of the CDF. These include geographical and population distribution constraints, a lack of standardized monitoring and evaluation tools, and political influence in project selection. Furthermore, the voluntary nature of Ward Development Committees (WDCs) has contributed to inconsistent participation and reduced motivation among members, which impacted the oversight of CDF projects.

To enhance the effectiveness and impact of the CDF, the study recommends several key interventions. These include redesigning the empowerment funds component to focus more on loans, enforcing penalties for fund misappropriation, depoliticizing the CDF, and mandating capacity-building programs for beneficiaries. The study also calls for tailoring CDF guidelines to better address unique local needs, particularly in rural areas, and enhancing oversight of Technical Education, Vocational, and Entrepreneurship Training Authority (TEVETA)-accredited institutions. Additionally, the standardization of monitoring and evaluation tools, development of targeted CDF bursary awareness campaigns and the need to amend the Local Government Act regarding WDC roles are proposed to improve the governance and transparency of CDF implementation.

Overall, while the CDF holds considerable potential to drive local development and empowerment, its current impact is limited by several structural and operational challenges. Addressing these challenges through the recommended interventions could ensure that the CDF effectively contributes to poverty reduction and sustainable development across Zambia.

Issac Mwaipopo (Mr)

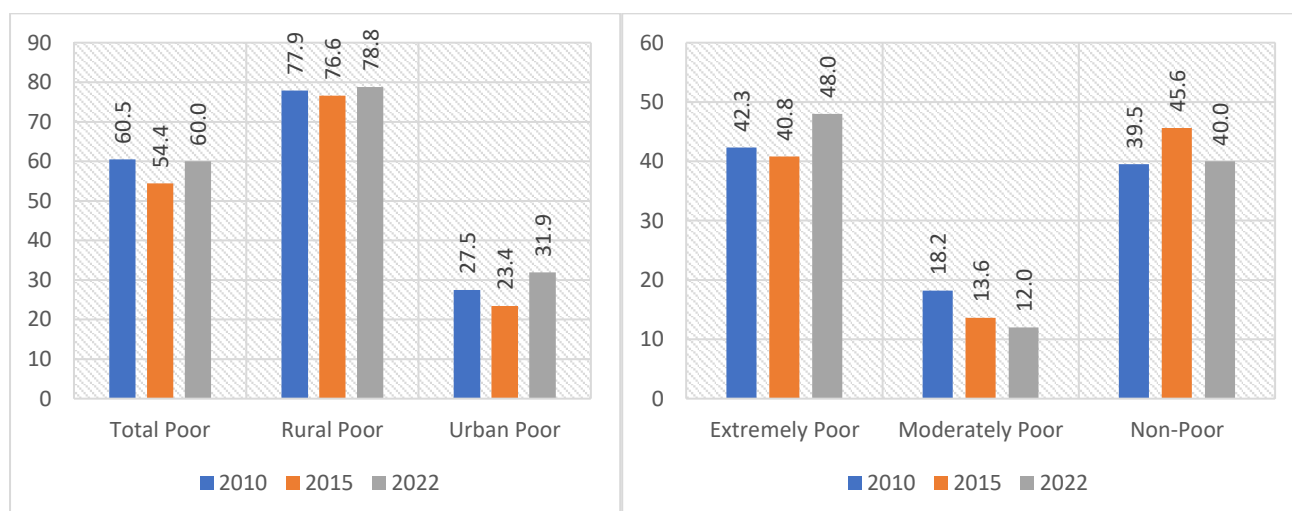
Executive Director

Centre for Trade Policy and Development

1.0 Introduction

Zambia, like many developing countries, grapples with several development challenges, particularly in the areas of poverty and inequality¹. Despite numerous efforts to enhance the socio-economic landscape, the country continues to struggle with high poverty levels, with rural areas disproportionately affected². According to the Zambia Statistics Agency (ZamStats), approximately 60 percent of the population lives below the poverty line, and poverty is more acute in rural areas – where 78.8 percent of the population lives in absolute poverty³. The World Bank attributes these higher poverty levels to limited job creation and declining labour earnings⁴.

Figure 1: Poverty Trends (percent) in Zambia, 2010-2022



Source: ZamStats

¹ [Zambia ranks among the countries with the highest levels of poverty and inequality globally.](#)

² [Four in five rural people experience poverty, compared to one in three people in urban areas.](#)

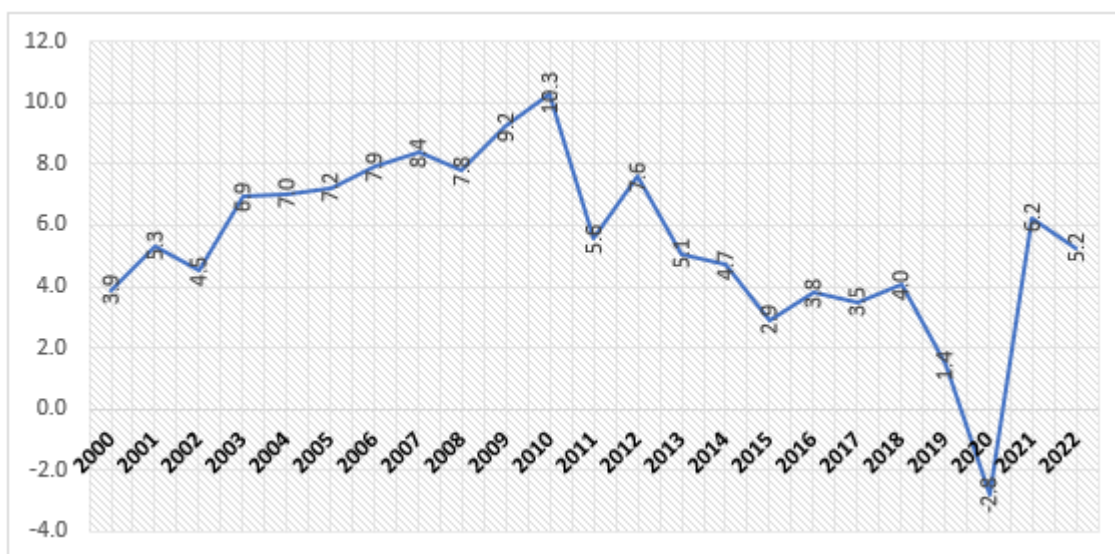
³ [2022 Living Conditions Monitoring Survey Report](#)

⁴ [The World Bank in Zambia](#)

The rural economy in Zambia is largely driven by agriculture, with smallholder farmers predominantly engaged in subsistence farming⁵. However, the agriculture sector has become increasingly vulnerable to the impacts of climate change, as demonstrated by the recent drought, which affected 9.8 million people in 84 out of 116 districts during the 2023/2024 farming season⁶. The challenges facing the rural population are further exacerbated by limited access to agricultural inputs, inadequate or lack machinery, limited market access, poor infrastructure, and insufficient investment in rural development, creating a persistent cycle of poverty that is difficult to break.

Although Zambia has experienced periods of economic growth, this growth has not been sufficiently inclusive or transformative, particularly for the rural population. Between 2010 and 2022, Zambia's nominal gross domestic product (GDP) growth averaged around 4.4 percent⁷. However, this economic expansion has not translated into poverty reduction. For instance, extreme poverty rose from 42.3 percent in 2010 to 48 percent in 2022⁸. Given the prevailing economic challenges, it is likely that poverty levels in Zambia may have risen even higher.

Figure 2: Zambia's GDP Growth Rate (2000-2022)



Source: Constructed from World Bank

Moreover, the pace of economic growth in Zambia has not been sufficient to drive meaningful and sustainable development. Research indicates that for a country to make significant progress in poverty

⁵ [Climate-Smart Agriculture in Zambia](#)

⁶ [Drought crisis has critical consequences for millions in Zambia](#)

⁷ [Zambia GDP Growth Rate 1960-2024](#)

⁸ [Poverty trends in Zambia \(2010-2022\)](#)

reduction, it must achieve a growth rate of between 5 to 8 percent per annum⁹. For instance, between 1978 and 2018, China's economy grew at an average annual rate of 9.5 percent, which was double the pace of other developing regions of the world.¹⁰ During this period, the proportion of those living in poverty in rural China fell from 97.5 percent to less than one percent, resulting in an estimated 765 million fewer poor people by 2019 than there were in 1980¹¹. This example illustrates the importance of sustained high growth in reducing poverty.

Overall, the economic benefits in Zambia have been unevenly distributed, with much of the growth concentrated in urban areas, which do not directly benefit the rural poor. This lack of inclusive economic growth has perpetuated disparities between urban and rural areas, leaving a larger portion of the rural population without access to adequate infrastructure¹², healthcare, education¹³, and economic opportunities¹⁴. Consequently, while the country as a whole has experienced periods of growth, the rural economy remains underdeveloped, highlighting the need for targeted development initiatives to bridge the gap between urban and rural areas.

To address these challenges, the Zambian government has implemented various initiatives aimed at decentralizing development efforts and empowering local communities. One such initiative is the CDF – which is a government budget allocation mechanism that channels a specific portion of the national budget to the constituencies to foster local development, empower communities, and drive inclusive growth across the country. The purpose of the CDF is to provide local authorities with discretionary funds whose utilisation is solely for the provision of social services.

1.1 Rationale

While there has been a substantial increase in the budget allocations for CDF in the last three years, detailed assessments of the fund's implementation and its impact across the country remain scarce. This study bridges the gap by assessing how the CDF funds are being managed and utilised as well as evaluating the tangible impacts of funded projects. Through this research, the aim is to provide evidence-based insights that can inform policy adjustments and improve the governance of CDF in promoting local development and poverty reduction across the country.

⁹ [Zambia Poverty Reduction Strategy Paper, March 2002](#)

¹⁰ [China's economic transformation and poverty reduction over the years: An overview](#)

¹¹ Ibid

¹² [Zambia's Infrastructure: A Continental Perspective](#)

¹³ [The Challenges of Rural Education in Zambia](#)

¹⁴ [Zambia Poverty Assessment Stagnant Poverty and Inequality in a Natural Resource-Based Economy](#)

1.2 Objectives

The main objective of this study was to assess the implementation and impact of CDF in selected districts in Zambia, with specific objectives to:

- a) Examine CDF utilisation rates and trends across selected districts.
- b) Identify the main challenges that local authorities face in the implementation of CDF.
- c) To document and determine of success stories from CDF beneficiaries.

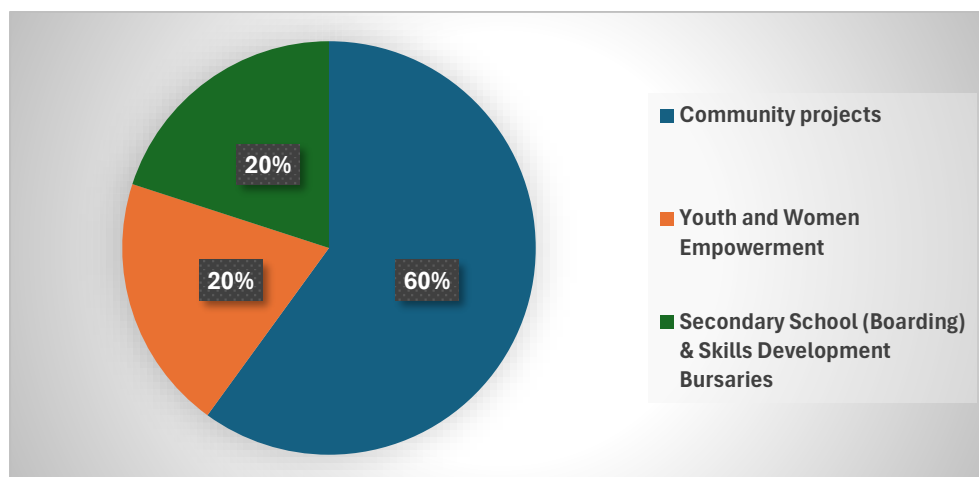
2.0 The Constituency Development Fund

In an attempt to respond to some of the aforementioned challenges, the Zambian government introduced CDF in 1995 as a means to decentralise development efforts and empower local communities. The primary purpose of the CDF is to decentralise development efforts by providing discretionary funds directly to local authorities. According to the CDF guidelines, the initiative aims to address specific community needs within constituencies, promote local development, and empower communities. The CDF is structured into three main components¹⁵:

- i. *Community Projects*: This component receives 60 percent of the total CDF allocation and focuses on infrastructure and local development initiatives. Additionally, 5 percent of the allocation within this component is specifically designated for disaster contingency, ensuring preparedness and immediate response to community-level emergencies.
- ii. *Youth and Women Empowerment*: Allocated 20 percent of the total CDF, this component is divided between grants and soft loans. The grants and loans are designed to foster entrepreneurial activities and economic self-sufficiency among youths and women. Of this allocation, 40 percent is designated for grants, while 60 percent is allocated for soft loans.
- iii. *Secondary School (Boarding) and Skills Development Bursaries*: The remaining 20 percent of the CDF allocation is dedicated to this component. As stipulated in the CDF guidelines, this category aims to improve access to education and vocational training, thereby enhancing employability and personal development within the community.

¹⁵ [Constituency Development Fund Guidelines](#)

Figure 3: CDF Allocation by Category



Source: Author's Construction based on CDF Guidelines

The CDF's structured allocation is intended to address diverse community needs and support local development in a participatory and inclusive manner. Each component serves a distinct purpose in fostering development at the grassroots level, contributing to the broader goal of sustainable community empowerment and growth.

2.1 The Policy and Legal Framework

The legal framework governing the CDF in Zambia has evolved over the years. Initially governed by the Local Government Act Chapter 281 of the Laws of Zambia¹⁶, the CDF was later included in the 2016 amendment to the Zambian Constitution under Article 162¹⁷, which revoked the previous provision. In 2018, the CDF Act was enacted, to provide for the management, disbursement, utilisation and accountability of the CDF established under the Constitution; establish CDFCs in constituencies and provide for their composition and functions¹⁸. This Act has been operating side by side with the Regulations that were issued in 2023 by the Minister as the Act provides.

The 2018 CDF Act, like any other law, was not without shortcomings, particularly in terms of implementation and enforcement. This has been demonstrated through a lack of transparency and accountability in project implementation, the absence of a clear mechanism to ensure that funds distributed as loans are used for their intended purposes and are repaid, among other challenges.

¹⁶ [Local Government Act Chapter 281 of the laws of Zambia](#)

¹⁷ [Constitution of Zambia \(Amendment\), 2016](#)

¹⁸ [Constituency Development Fund Act, 2018 \(No. 11 of 2018\)](#)

When the CDF 2024 Bill was introduced to parliament, it was hoped that there would be further enhancements to specific provisions and for the incorporation of submitted recommendations. However, the resulting CDF Act, which repealed the 2018 Act, retained nearly all the provisions of its predecessor. Notable exceptions include provisions concerning the invitation for project proposals and the implementation of disaster projects, which require the Minister to issue specific guidelines as needed.

Alongside the CDF Act are other complementary laws such as the Local Government Act No. 2 of 2019¹⁹, the National Planning and Budgeting Act No. 1 of 2020²⁰, the Public Finance Management Act No. 1 of 2018²¹, and the Public Procurement Act No. 8 of 2020²². These laws, together with the CDF guidelines, provide a legal framework that supports the fund's objectives of fostering local development and community empowerment.

Overall, while the above paragraphs demonstrate the progress made concerning CDF legal framework, there is need to strategize implementation and enforcement of these laws and regulations in order to witness CDF saving its purpose fully.

2.2 The Budget Allocation

The CDF allocation has progressively increased over the past few years. In 2021, the fund was allocated K1.6 million, a minimal fraction of the national budget which totalled K119.6 billion. In subsequent years, this figure substantially rose, with the CDF allocation reaching K25.7 million in 2022, K28.3 million in 2023, and K30.6 million in 2024. Each year, the CDF represented 0.01 percent, 0.02 percent, and 0.02 percent of the national budget respectively, with the total budget itself varying from K173 billion in 2022 to K178 billion in 2024.

Despite these increases, it's notable that the CDF's share of the total national budget remains below 0.5 percent. This suggests that, although there is a policy shift towards promoting community-led development, the scale of funding is still limited compared to the total national budget. Moreover, looking at the various development needs the constituencies, especially those in rural areas, there is room for increasing the CDF allocation further. However, such increases should be preceded by strengthening the administrative and financial management capacities at the local level. It is also

¹⁹ [Local Government Act No. 2 of 2019](#)

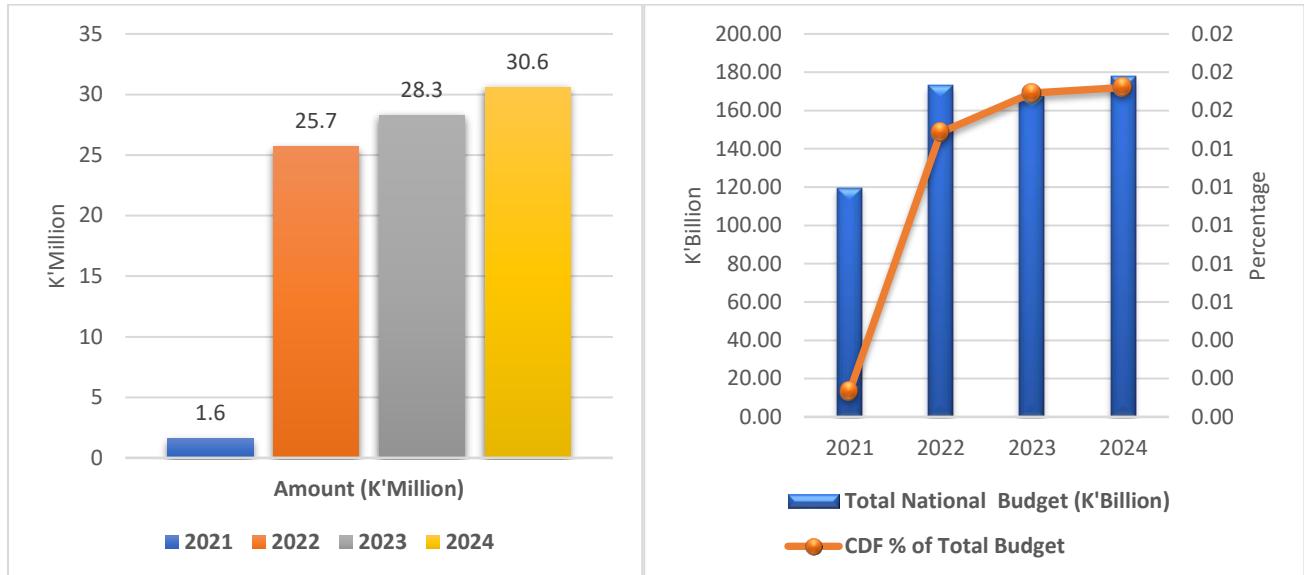
²⁰ [The National Planning and Budgeting Act, 2020](#)

²¹ [The Public Finance Management ACT 2018](#)

²² [The Public Procurement Act No. 8 2020](#)

necessary to ensure that any increase in CDF funding is balanced with other national priorities to avoid detrimental trade-offs in national budget allocations.

Figure 4: CDF Allocation and Percentage of Total National Budget (2021-2024)



Source: Constructed from CDF Guidelines²³ and Budget Speeches Data²⁴

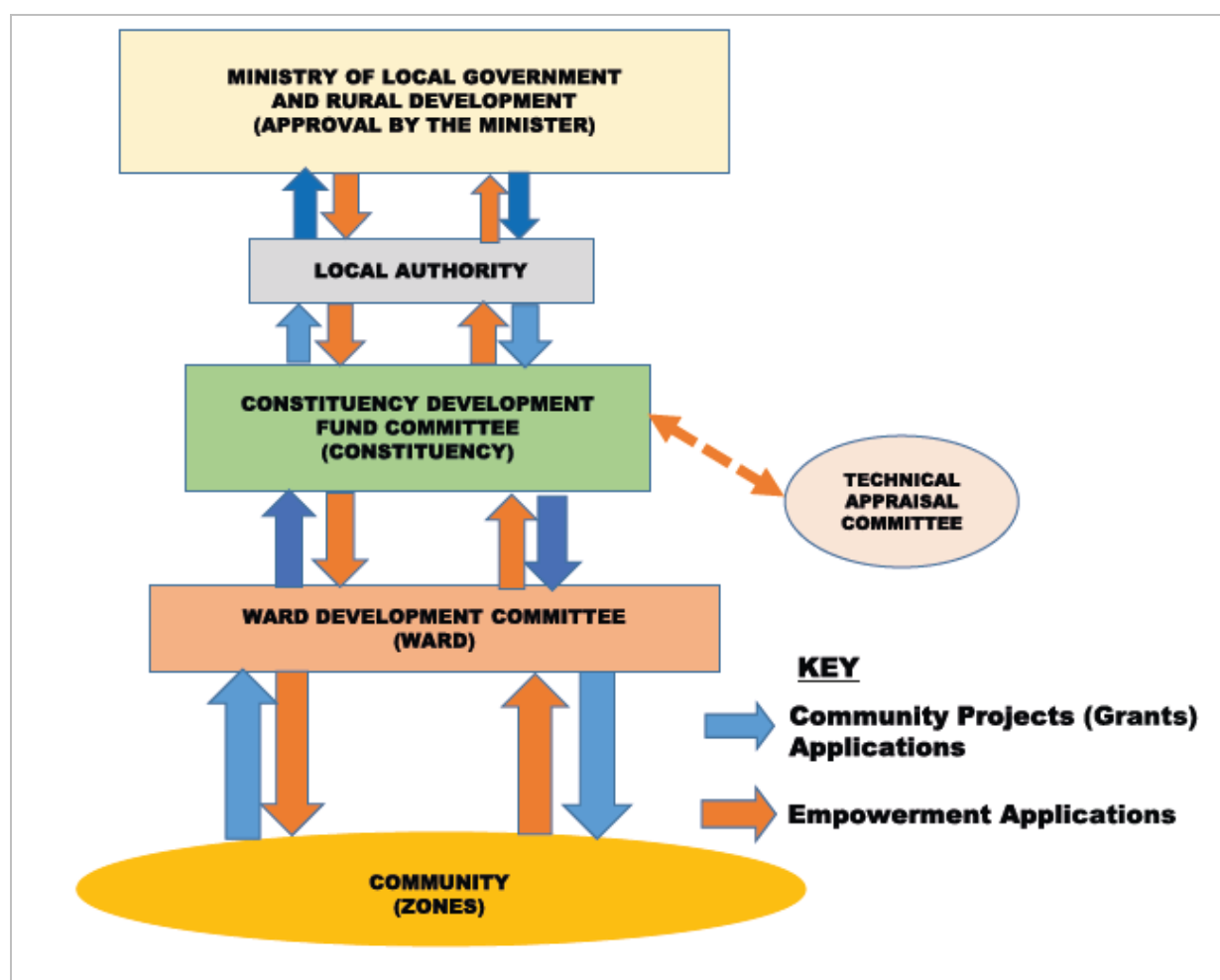
2.3 CDF Project Approval Process

In the current setup, the approval process for CDF projects begins with the submission of project proposals by community members or groups to the Ward Development Committee (WDC). The WDC reviews these proposals and compiles a list of recommended projects, which is then forwarded to the Constituency Development Fund Committee (CDFC). Once reviewed, the CDFC selects suitable projects and submits them to the Local Authority for further evaluation. The Local Authority conducts a technical and financial appraisal before submitting the approved list to the Minister responsible for final approval.

²³ [CDF Allocation Data](#)

²⁴ [National Budget Speeches](#)

Figure 54: The CDF Application Process



Source: Ministry of Local Government

3.0 Methodology

This section presents the methodology employed to achieve the above stated objectives.

3.1 Research Design

This study employed a mixed-methods approach to achieve the above stated objectives, integrating both qualitative and quantitative research techniques.

3.2 Data Collection

Secondary data were collected through a review of national budget publications, government reports, and other relevant research materials. Primary data collection methods included structured interviews with local council authorities, focus group discussions with CDF beneficiaries, and surveys conducted with community members. In addition, phone-in radio programs were organized to engage

the wider public. Key informant interviews with experts in the field provided further insights into the challenges and opportunities associated with the CDF.

3.3 Sampling

The study employed purposive sampling to select ten districts across six provinces in Zambia, covering sixteen constituencies. These areas were chosen based on geographical, political, and socio-economic factors to capture diverse experiences with CDF implementation.

Table 1: Study Areas by Province, District, and Number Constituency:

Province	District	No. of Constituencies
Eastern	Katete	2
Central	Kabwe	2
Copperbelt	Kitwe	3
Sothern	Livingstone, Mazabuka, Kazungula	4
Western	Kaoma, Nkeyema, Mongu	4
Lusaka	Chongwe	2

Source: Author's Own Construction

3.4 Data Analysis

Quantitative data collected from surveys were analysed using descriptive statistics to summarise the budget allocation, distribution and utilisation of CDF across the selected districts. This analysis provided numerical insights into how the funds were allocated and used. Qualitative data from interviews, focus group discussions, and public engagements were analysed using thematic analysis. This involved identifying recurring themes and patterns related to the challenges, successes, and overall impact of CDF implementation.

3.5 Ethical Considerations

Ethical standards were strictly adhered to throughout the study. Authorization was obtained from the ministry of mines before data collection commenced. Consent was also obtained from local councils prior to interviewing CDF beneficiaries. Participants were informed about the purpose of the study and their rights, including the right to withdraw at any stage.

4.0 Findings and Analysis

This section presents the key findings of the study, focusing on CDF distribution, utilisation and change stories across selected districts.

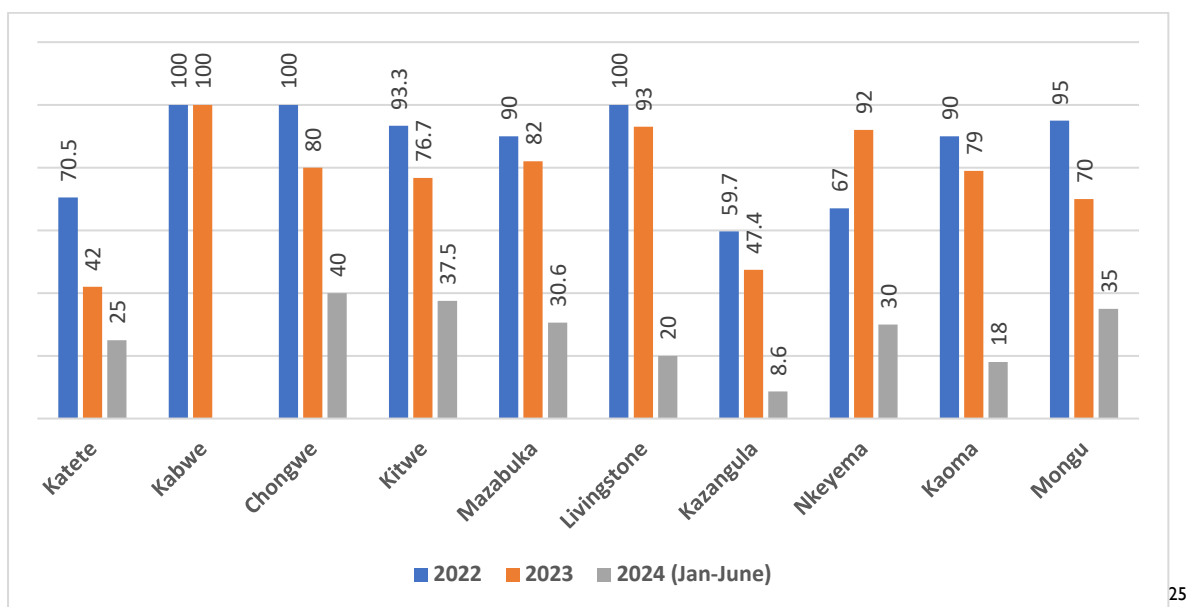
4.1 Findings on CDF Utilisation Across Selected Districts

4.1.1 Decline in CDF Utilisation Amid Increasing Budgets

Analysis from local council data indicates a widespread decline in CDF utilisation despite increases in budget allocations from 2022 to 2024. While most districts showed substantial utilisation of allocated funds in 2022, a notable decrease was observed by 2023. For instance, utilisation in Katete dramatically dropped from 70.5 percent in 2022 to 42 percent in 2023, with a continued decline into the first half of 2024. Officials from Katete's local council attributed this decrease to the cancellation and re-evaluation of all community projects for that year. Similarly, Kazungula's utilisation rate decreased from 59.7 percent in 2022 to 41.4 percent in 2023. Even high-performing districts such as Chongwe experienced a reduction in fund utilisation, dropping from 100 percent in 2022 to 80 percent in 2023.

Contrastingly, Nkeyema was an exception, demonstrating an increase in fund utilisation during the same period. However, the general trend remained downward through the first half of 2024, with no district achieving the expected 50 percent utilisation rate by mid-year. This was particularly true in rural districts like Kazungula and Katete, which recorded some of the lowest rates, both falling below 20 percent. Ideally, by 30th June 2024—all constituencies should have received their CDF allocation and utilised at least 50 percent of the total funds allocated.

Figure 6: Overall Utilisation Rate for Selected Districts (2022-2024)



Source: Author's construction from survey data

4.1.2 Disparities in Utilisation Between Rural and Urban Districts

²⁵ For Kitwe, only three constituencies were considered (Nkana, Kwacha, and Kamfisa).

Furthermore, local authorities in rural districts reported lower utilisation rates compared to urban districts like Livingstone and Kitwe. For example, Kazungula's utilisation rate dropped from 59.7 percent in 2022 to 41.4 percent in 2023, and further below 20 percent in the first half of 2024. In contrast, urban districts, while also experiencing declines, maintained relatively higher utilisation rates. Local authorities in these urban districts benefited from better infrastructure, greater availability of contractors, and stronger administrative capacity, which contributed to more effective utilisation of CDF allocations compared to rural counterparts.

4.1.3 Delays in Community Projects as a Major Factor in Low CDF Utilisation

Local authorities attributed the decline in CDF utilisation, particularly in rural districts, to delays in completing community projects. These projects, which constitute 60 percent of the total CDF allocation, were often delayed due to the limited capacity of local contractors and prolonged approval processes. In rural areas, these challenges were exacerbated by logistical difficulties and the limited capacity of local councils to effectively monitor projects. These delays significantly impacted the overall utilisation rates, particularly in 2023 and the first half of 2024, as noted by local authorities interviewed across various districts.

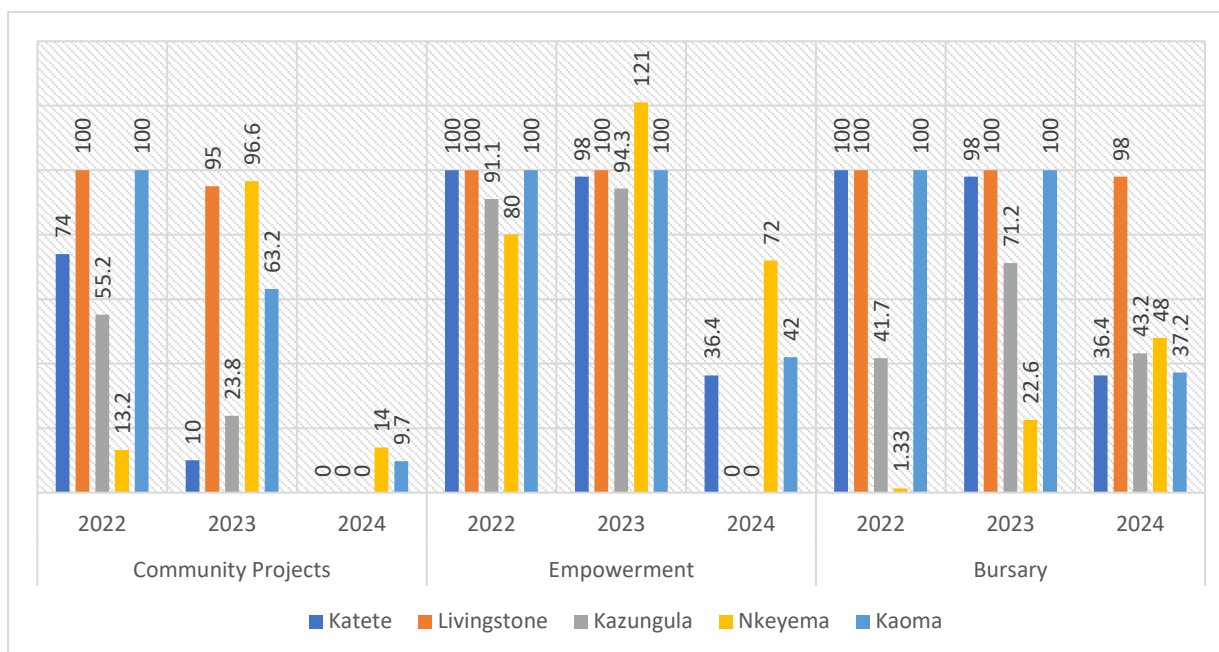
4.1.4 Delays in Government Disbursement of Funds affecting timely implementation of projects and well as timely disbursement of Empowerment Funds

Another critical issue was the delayed disbursement of CDF funds from the central government to local authorities. The study found that funds intended for loans and grants were often released late, sometimes months after they were needed for project implementation. As of 30th June 2024, local authorities had not yet received their full allocation.

4.1.5 Decline in Community Projects Disbursements, Stability in Empowerment, and High but Uneven Uptake in Bursaries from 2022 to Mid-2024

The utilisation of CDF across selected districts from 2022 to mid-2024 has generally declined, particularly in community projects, while showing more stability in empowerment initiatives and relatively high but uneven utilisation in the bursary category.

Figure 7: CDF Utilisation Rates by Category for Selected Districts



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Source: Author's construction from survey data

The utilisation of funds designated for Community Projects witnessed a marked decline across several districts. Initially, areas such as Katete demonstrated robust engagement, achieving a 74 percent utilisation rate in 2022. However, this figure plummeted to 10 percent by 2023, with no funds being utilised by mid-2024. This pattern was not unique to Katete, as similar trends were noted in other districts as well. Local authorities frequently attributed the low utilisation of community project funds to issues related to contractors and delays in government disbursement. For instance, authorities in rural areas like Nkeyema reported challenges with local contractors lacking the necessary equipment and resources to undertake projects effectively. In one district, a contractor misused a down payment meant for project expenses to purchase a personal vehicle. “The fact that we only release payments to contractors upon completion and verification of projects contributes to the slower pace of utilisation compared to other CDF components,” explained an officer from another district. Furthermore, another officer highlighted governmental delays in funding disbursement, noting, “As of 30th June 2024, we have not received any funds meant for community projects.”

In contrast to Community Projects, the Empowerment component showed more stability in fund utilisation, although it was not without fluctuations. Districts such as Livingstone and Nkeyema consistently achieved high utilisation rates, near or above 90 percent in both 2022 and 2023. However, by the first half of 2024, none of the districts reached even 50 percent utilisation. The Bursary component maintained relatively high utilisation rates across most surveyed districts, especially in urban areas like Livingstone and Kaoma, where disbursement rates hovered close to or reached 100 percent in 2022 and 2023. Despite this, the uptake of bursaries in rural

²⁶ Note: For the year 2024, the data analysed only includes information up to 30th June 2024

districts lagged, pointing to disparities in accessibility or awareness of educational support funds between rural and urban settings. This indicates a need for targeted outreach and possibly additional support structures to ensure equitable access to educational opportunities provided by the CDF.

4.2 Findings on Challenges in the Implementation of CDF

While CDF has potential to foster local development and empowerment, its implementation has not been without challenges. This section outlines the primary issues faced across three key components of the CDF: Community Projects, Bursaries, and Empowerment.

4.2.1 Challenges Related to Community Projects

<p>1. Limited Capacity of Local Contractors.</p>	<p>Many contractors engaged in CDF projects were found to lack capacity – in terms of equipment needed for the implementation of the projects; and financial constraints, especially that only a downpayment is made at the onset of the project and the rest is made upon completion. There were also reported instances of misuse of the downpayment made. This led to delays in completion of projects, delivery of substandard work, and incomplete projects.</p>
<p>2. Poor Road Networks</p>	<p>Poor road networks were repeatedly mentioned as challenges, particularly in remote areas. Difficult terrain exacerbates these challenges, hindering material transportation and delaying project progress. The impact of these infrastructural barriers is particularly severe during adverse weather conditions, which often isolate communities and halt ongoing development activities.</p>
<p>3. Poor Monitoring and Evaluation Mechanisms</p>	<p>Local authorities interviewed indicated that there was an issue of poor monitoring and evaluation of CDF projects. This has resulted in poor oversight, making it difficult to assess the progress and impact of projects and to hold responsible individuals accountable for any misuse the funds.</p>
<p>4. Bureaucratic Delays</p>	<p>The study highlighted bureaucratic inefficiencies, including slow approval processes and cumbersome procurement procedures, as major impediments to the timely execution of CDF projects. These delays have led to the underutilisation of allocated funds and the stalling of critical development initiatives.</p>

5.	Rapid Changes in Market Prices.	Local authorities reported that rapid changes in market prices and unpredictable fuel costs, largely impacted the implementation of CDF-funded community projects. Contractors who initially budgeted based on prevailing market price often encountered unexpected price increases during project execution. This led to failure to complete projects and in other cases, reduction in the scope of the projects.
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4.2.2 Challenges Related to CDF's Empowerment Funds

1.	Misuse of Empowerment Grant Money	About 90 percent of local authorities interviewed shared that majority of grant beneficiaries were misusing the funds. For example, in some cases the funds are shared amongst the group members and used as they please, whereas in other instances misuse was as a result of lack of financial literacy and/or project management skills.
2.	Low Repayment Rates for Empowerment Loans	The study revealed that loan repayment rates were notably low, with many recipients treating the loans as non-repayable grants.
3.	Limited Participation of Women in Empowerment Grants	Cultural norms and gender biases were identified as barriers to women's full participation in empowerment grants. In several instances, women were primarily involved only during the registration process of cooperatives or clubs but had minimal control over the implementation and utilisation of the funds. Consequently, women are often utilised merely as figures on paper, rather than being actively engaged in the decision-making and management of the grants.

4.2.3 Challenges Related to Secondary School and Skills Development Bursaries

1.	Challenges with Quality of TEVETA-Accredited Training Institutions	Concerns were raised regarding the quality of training provided by some Technical Education, Vocational, and Entrepreneurship Training Authority (TEVETA)-accredited institutions. In some cases, these institutions misrepresented the programs they offered, attracting students under false pretenses. Additionally, instances of falsified
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		attendance records were reported, where institutions would invoice local councils for students who were not actually attending classes.
2.	Low response to bursary in rural areas.	The study found that while the uptake of bursaries was relatively higher in urban districts, it was lower in rural areas. Contributing factors included cultural barriers, such as a preference for early marriages over continued education, and misconceptions about the bursary funds. Some students and parents mistakenly believed that the bursary funds would be given directly to them rather than being paid to the schools, leading to reduced interest in applying for and utilizing these educational opportunities.
3.	Bursary beneficiaries dropping Out of School.	Local authority shared that there were cases where some students in rural areas discontinued their education even after bursaries had been allocated on their behalf. Contributing factors included early marriages, and other activities that seem to offer immediate benefits.

4.2.4 Cross-Cutting Challenges

1.	Geographical and Population Distribution Constraints	Local authorities interviewed reported that the large and dispersed nature of some districts and constituencies made it challenging to reach all intended beneficiaries, leading to an uneven distribution of resources/CDF projects. In addition, the uniform CDF allocation to each constituency, regardless of its population size or geographical spread, does not adequately account for the unique logistical challenges faced by larger constituencies, thereby exacerbating disparities in fund utilisation and impact across different regions.
2.	Lack of Standardised Monitoring and Evaluation Tools	Local authority respondents mentioned that there is a lack of standardised monitoring and evaluation tools across the districts. Each local council reportedly uses its own project evaluation templates, leading to inconsistencies in data collection, analysis, and reporting. aggregate data effectively.
3.	Political Influence in	The study found that political interests often influenced the selection and prioritisation of CDF projects, leading to the selection of projects

	Project Selection	that aligned with political agendas rather than those that addressed the most pressing community needs.
4.	Lack of Motivation Among WDC Members.	Majority of local authorities interviewed shared that WDCs face challenges in maintaining motivation and effectively carrying out their responsibilities. The voluntary nature of their roles, combined with the need to travel long distances across large geographical areas, often leads to decreased motivation and inconsistent participation.

4.3 Findings on Success Stories of CDF Beneficiaries

4.3.1 CDF Loan Supports Creation Of Local Employment In Mongu

With the unemployment rate in Zambia measuring at around 5.9 percent in 2023, Jemwa Tailors, a Mongu-based tailoring and fashion designing company, has set its eyes on contributing towards reducing the unemployment rate. Owned by Jemaine Mwanza, Jemwa Tailors applied for a K200,000.00 CDF loan in 2023 to boost the company's capital. The company was awarded K100,000.00, which was used to purchase a modern embroidery machine.

Jemaine Mwanza noted, “As a company, we had inadequate funds to secure machines that would boost our production. For embroidery work, as a district, we depended on Lusaka, which would take long to have our work done.” He further explained, “In 2023, we applied for a CDF loan amounting to K200,000.00 and were given K100,000.00. The priority for the company was to secure an embroidery machine which cost K110,000.00, hence we had to raise an extra K10,000.00 to top up.”

The CDF loan has enhanced production and lowered average costs for Jemwa Tailors, while also helping to create jobs in Mongu. The company currently employs six staff members and plans to hire two additional employees due to the growth facilitated by the CDF loan. Jemwa Tailors manufactures general attire, school uniforms, and security guard uniforms, receiving most of its orders from various entities including Hollywood Security Guard, Camfed, Mulambwe Secondary School, Playing Dove Academy, and others.

The company charges K50 for embroidery work and this investment in the embroidery machine has increased performance and profit margins for the company. The company makes an estimated average of K500 per day and about K15,000.00 per month from embroidery work alone.



As a result of the embroidery machine which the company secured with support from the CDF loan, the company is now experiencing increased demand as more people have stopped taking their clothes to Lusaka for embroidery. Hence, the company has plans to further increase production.

4.3.2 Livingstone's Simoonga Women Cooperative Set Up Production Of Yoghurt With Support From CDF

In 2018, a group of twenty women from Simoonga village in Livingstone formed the Simoonga Women Cooperative. Initially, they relied on contributions from members to carry out small income-generating activities.

In 2023, the cooperative applied for a CDF grant and successfully received K40,000 from the Livingstone Municipal Council. The grant was used to purchase equipment such as industrial refrigerators, processing containers, and pots, along with ingredients like yogurt cultures and flavourings, to start a yogurt processing business.

"We started the cooperative in 2018 with a membership of only 20 women, and at the time, we had no capital and relied on members' contributions to conduct income generation activities," said Mrs. Mulonda, a member of the cooperative. "After the CDF was increased in 2021, we agreed as a group to apply for a grant, and in 2023, we were awarded a grant of K40,000, which we used to start the dairy processing business."

The cooperative has since expanded its product line to include yogurt, lactic Mabisi, and fresh milk, which are sold locally and in nearby shops. The cooperative has also seen an increase in membership due to its main goal of empowering women within the community.

However, the cooperative still faces challenges in expanding the business. "We have a machine that was donated to us that could help us increase production, but we need an additional K15,000 for it to start operating," explained Mrs. Mulonda. "We also don't have access to markets where we can sell our products, and currently, we only supply locally."

The cooperative remains committed to growing its business and further empowering its members, despite these challenges.



4.3.3 CDF Sparks The Production Of Traditional Drinks That Have Attracted Overwhelming Demand From Locals

Two traditional drinks, Ilya Mufaho, made with sour milk and porridge, and Shole Pure, made from Mumbole wild fruits, have entered the local market in Western Province and immediately attracted widespread demand from consumers. These drinks are produced by Winela Farmers Association, based in Mongu, which started the business with support from CDF.

In 2023, the association applied for a K200,000 loan through the CDF but was instead awarded a grant of K30,000 to help establish their traditional drink business. Marketing Manager, Mr. Evidence Kaway, shared that the association had a concept for producing traditional drinks but lacked the resources to start. "In 2022, we applied for a loan through CDF, which was not successful. We later applied again in 2023 and were awarded a grant of K30,000, which supported the setting up of our business," said Mr. Kaway.

The association, which has 10 members, used the funds to purchase ingredients for the drinks and other essentials, such as a packaging machine, pots, bottles, and branding materials. They also used part of the funds to set up a production and office space to support production, storage, and administrative work.

The two drinks are currently supplied to local shops in Mongu as well as in towns like Sesheke, Sioma, Senanga, Kaoma, and Kalabo. However, due to limited capacity, the association has struggled to meet the growing demand.

"There is huge demand for our drinks, but we have failed to meet it because we don't have enough capital to expand production. We produce 68 bottles per day, but sometimes we can't produce due to challenges, and orders remain pending," said Mr. Kaway.

The drinks are sold at K8.00 retail and K10.00 wholesale, and the association expects to generate an estimated K130,560.00 when operating at full capacity.



"The money raised is being reinvested into the business to facilitate growth and support our individual members. Our business has the potential to grow and support the community, but we have limited financial capacity," added Mr. Kaway.

4.3.4 CDF Empowerment Ignites Financial Independence Among Chilombo Women

Single women in Kaoma face various challenges on their path to financial success, including unemployment, lack of capital, and the negative effects of climate change on agriculture. These obstacles have made it difficult for women to achieve their financial goals. However, the increased CDF is slowly changing this narrative, providing women with grants to help fund their businesses.

One of the cooperatives that benefited from the 2023 CDF grants is the Chilombo Central Women Club, located in Chilombo ward, Kaoma Central Constituency. The club recently celebrated its financial success after investing a K15,000 CDF grant. In just two months, the club generated profits amounting to K32,900.

In addition to the cash profits, the club has reinvested some of the money into agricultural equipment and inputs. "It's amazing to see how our investment is growing," said Sandra Simakumba, Chairlady of the club, while seated on a wooden bench under a mango tree.

"We never thought we would reach this stage. We have bought an oxcart, two oxen, a plough, and farming inputs, as farming is the business focus of our club. We've also invested K10,000 in village banking. It's exciting and amazing."

The Vice Chairlady, Fridah Shantebe, added, "Chilombo Central Women Club has enabled us to increase our income and become financially independent from our husbands. We can now invest in our children's education using our savings."

With over 800 youth and women clubs and cooperatives in Kaoma district benefiting from CDF empowerment grants, the success of Chilombo Central Women Club provides a glimpse into the transformative impact of the CDF. Beyond being an income-generating initiative, the CDF has inspired, empowered, and transformed the communities of Kaoma.



5.0 Recommendations

Based on the above findings, the following recommendations are proposed to enhance the effectiveness, transparency, and impact of the fund.

- a) **Government Should Introduce Mandatory Financial Literacy and Project Management Training for CDF Grant and Loan Beneficiaries:** The government should allocate a portion of CDF funds specifically for financial literacy and project management training. This training should be made mandatory for all prospective CDF beneficiaries before any funds are disbursed. Doing so will ensure that recipients are well-prepared to manage their finances and projects effectively, reducing the risk of misappropriation of funds.
- b) **The government should introduce incentives for CDF beneficiaries—both grant and loan recipients—who demonstrate effective utilisation of funds and achieve notable business growth.** These incentives could include access to additional grants or preferential loans for business expansion. For example, the Simoonga Women Cooperative in Livingstone (see section 4.3.2), which used their CDF grant to establish a successful yogurt production business, could benefit from further support to expand operations. Similarly, businesses like Jemwa Tailors in Mongu (see section 4.3.1), which utilised a CDF loan to boost production and create local employment, could be offered enhanced access to credit or business development services. Such incentives would encourage responsible use of funds, promote business growth, and contribute to sustained local economic development.
- c) **Enforcement of the penalties provided in the Public Management Act:** There is a need to enforce Section 31 of the CDF Act 2024, which makes it an offence with a penalty specified under the Public Finance Management Act, if a person misappropriates the funds or assets of the constituency.
- d) **Depoliticizing the CDF:** It is important to maintain the neutrality of the CDF and ensure it is not used for political purposes. Politicians and stakeholders must adhere to the laws governing CDF management and focus on ensuring that the fund benefits the intended communities without political interference.
- e) **Tailoring CDF Guidelines to Local Needs:** Government should revise the CDF guidelines to account for the unique needs and characteristics of each constituency. A flexible allocation model is recommended, which allows a higher percentage of funds—up to 80 percent of the total CDF—to be directed towards community projects in rural constituencies. These areas often have greater needs for infrastructure and local development is greater.

- f) **Enhancing Oversight of TEVETA-Accredited Institutions:** Government, through the Ministry of Technology and Science should enhance regulatory oversight of TEVETA-accredited institutions. This includes stricter accreditation processes, regular audits, and continuous monitoring to ensure adherence to educational standards. Institutions that falsely advertise training programs should face appropriate penalties
- g) **Standardisation of Monitoring and Evaluation Tools:** Government, through the Ministry of Local Government and Rural Development (MLGRD) should develop and enforce standardized monitoring and evaluation tools for CDF projects across all districts. Standardized templates for CDF project evaluation, as well as reporting will improve transparency and enable better comparison of project outcomes across constituencies.
- h) **Revision of the Local Government Act Regarding WDC Roles:** The Local Government Act No. 2 of 2019 should be revised to address the challenges faced by WDCs, whose roles are currently voluntary. It is recommended that provisions be introduced to offer modest remuneration or travel allowances for WDC members. The introduction of a structured compensation package, including travel allowances, would bolster motivation and ensure sustained participation, thus enhancing the management and oversight of CDF projects across various constituencies, especially in remote areas.
- i) **Targeted Awareness Campaigns for Educational Bursaries:** To address the low uptake of Secondary School and Skills Development Bursaries in rural areas, the government, through the Ministry of Education should introduce targeted awareness campaigns. These campaigns should address cultural barriers such as early marriage and undervaluing formal education. Community-based support systems and mentorship programs should also be introduced to encourage and sustain interest in education among young people.
- j) **Orientation of contractors:** To address reported conflicts that have risen between WDCs and contractors where the later have attempted to conduct monitoring and evaluation of CDF projects. All contractors awarded CDF projects and service provision contracts should be oriented in the roles of the CDFC and WDC in monitoring and evaluation. Contractors be made aware that the end users have an express right to conduct monitoring and evaluation. Provisions must therefore be made to guide the interaction between contractors and WDC-level monitoring teams.
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6.0 Conclusion

The study provides a comprehensive assessment of the implementation and impact of the CDF across selected districts in Zambia. The findings reveal a general decline in CDF utilisation rates despite increased budget allocations, with rural districts experiencing more pronounced challenges compared to their urban counterparts. Key issues such as delays in project completion, limited contractor capacity, and bureaucratic inefficiencies were identified as major impediments to effective fund utilisation. Additionally, misuse of empowerment grants and low loan repayment rates further undermined the intended outcomes of the CDF. The study also highlights the uneven uptake of educational bursaries, particularly in rural areas, and the challenges associated with monitoring and evaluating CDF projects. The recommendations provided aim to address these challenges through measures such as redesigning the empowerment funds component, enhancing oversight and accountability, and tailoring CDF guidelines to better meet local needs. Overall, while the CDF has the potential to meaningfully contribute to local development, its impact is currently constrained by structural and operational challenges that require targeted interventions.

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