



## Unlocking local delivery: Early lessons from CDF decentralisation reforms in Zambia

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- Persistent delivery challenges remain in implementing the Constituency Development Fund (CDF): only 27% of 2024 projects were completed within a year, despite some improvement in delay times.
- Delays are still concentrated at key centralised checkpoints, notably during fund disbursement, procurement, and the commencement of construction.
- The 2024 CDF pilot programme, which decentralised projects and raised procurement thresholds, shows promising early results in accelerating implementation.
- Further reforms to streamline fund disbursement should be piloted to build on this momentum. These include enabling direct access to funds by local authorities, improving expenditure forecasting, and upgrading financial information systems to enhance fund flow and tracking.

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## Policy motivation: Strengthening local delivery through the CDF

Zambia's decentralisation agenda is a major constitutional reform to shift governance responsibilities and resources from the central government to local authorities. The Constituency Development Fund (CDF) is central to advancing this agenda by financing community-level development projects.

While the CDF has grown significantly from ZMW 1,600,000 per constituency in 2021 to ZMW 30,600,000 in 2024 (Ministry of Local Government and Rural Development, 2024), implementation challenges continue to undermine its effectiveness. These include:

- **Low project completion rates:** On average, only 27% of 2024 CDF projects were completed by the first quarter of 2025 (IGC and Stanford University, 2025).
- **Operational delays:** Fund disbursements and procurement processes remain slow, impeding the timely delivery of projects.
- **Quality and accountability concerns:** High rates of contractor underperformance, project complaints, and maintenance issues threaten the long-term value of community investments.

Addressing these challenges and strengthening the implementation capacity of local authorities is critical to realising the full promise of decentralisation. Effective local governance must be inclusive and accountable, but it must also deliver. This research identifies key constraints and proposes targeted reforms to accelerate the delivery and impact of CDF-funded projects.

## Overview of the CDF pilot and evaluation approach

This research combines large-scale data collection with a randomised controlled trial (RCT) to assess the impact of decentralisation reforms on the delivery of community development projects funded through the CDF.

Initial baseline data was collected in 2022 and 2023 from 30 local authorities to better understand the status, challenges, and opportunities associated with CDF-funded projects.

Building on insights from this baseline, the International Growth Centre (IGC) and Stanford University, in collaboration with the Ministry of Local Government and Rural Development (MLGRD), launched a **pilot programme in late 2024**. As part of this initiative, **36 local authorities across all ten provinces** were

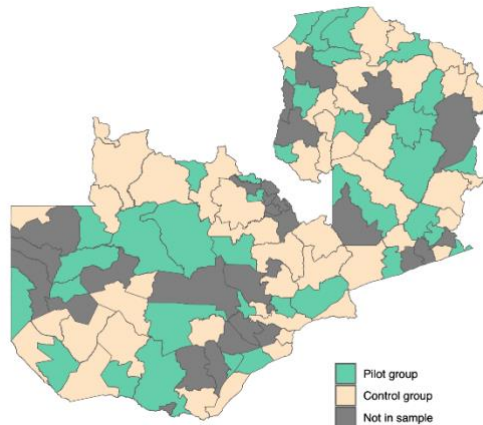
randomly assigned to a treatment group to evaluate the impact of two key reforms rigorously<sup>1</sup>:

1. **Decentralising project approval authority** from Provincial Local Government Officers to Principal Officers within local authorities.
2. **Increasing the threshold for simplified procurement**<sup>2</sup> from ZMW 1,000,000 to ZMW 2,000,000.

In February 2025, the sample was expanded to **85 local authorities**, enabling an assessment of over **2,000 community development projects**. This expanded dataset provides detailed insights into project execution, institutional performance, and the perceptions of **700 stakeholders**<sup>3</sup> involved in CDF processes at both district and ward levels.

Importantly, including both pilot and non-pilot local authorities enables emerging comparative insights into the effects of the decentralisation reforms, laying the groundwork for future evaluation of downstream outcomes.

**FIGURE 1: Data collection sample for CDF pilot**



Note: Survey sample for February 2025 data collection, including pilot and non-pilot local authorities

<sup>1</sup> Assignment to the pilot was done by lottery to enable a rigorous evaluation of the potential benefits and costs of such reforms. The overall sampling frame of local authorities comprised all those authorities containing a single constituency, which are, on average, relatively more rural areas.

<sup>2</sup> Raising the threshold for simplified procurement from ZMW 1,000,000 to ZMW 2,000,000 means that projects below ZMW 2,000,000 can now be approved using less bureaucratic procedures, allowing local authorities to act faster and with more flexibility.

<sup>3</sup> Stakeholder groups interviewed include Principal Officers, Directors of Planning and Engineering, Councillors, non-technical members of CDFC, Heads of Procurement, Legal Officers, and Ward Development Committee Chairpersons.

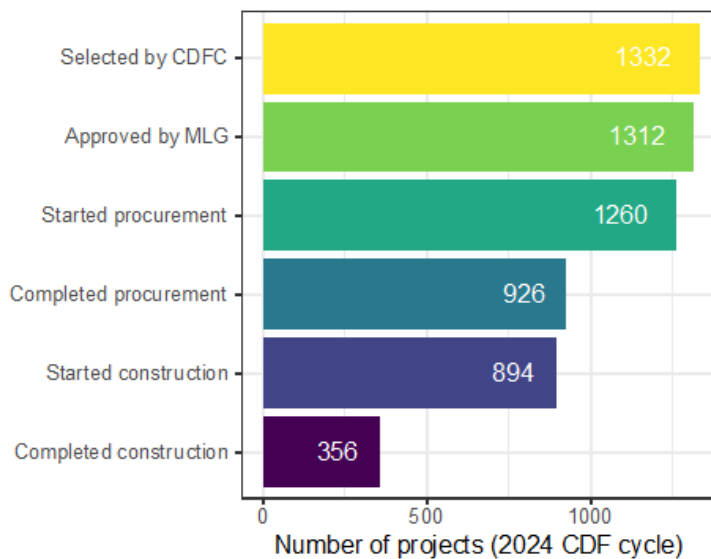
## Key findings

### Project delivery remains low despite modest progress

Delivery challenges persist. As of February 2025, only **27% of 2024 CDF community development projects** had been completed, despite modest improvements in implementation timelines. While this average reflects marginal progress, it masks considerable variation across local authorities: the most successful completed up to **77% of their projects**, whereas some had **not completed a single project**.

Some local authorities have demonstrated strong implementation capacity, with districts like **Lufwanyama, Luangwa, Nchelenge, Mungwi, and Senga-Hill** completing over 70% of their planned projects. In contrast, others like **Chilubi, Chipangali, Chitambo, Ikelenge, Kalulushi, Lavushimanda, Luano, Lunte, Lusangazi, Mporokoso, Mushindamo, Ngabwe, and Shiwang'andu** had not completed a single project by the same reporting period.

FIGURE 2: Completion of community projects across the CDF cycle



### Bottlenecks have reduced, but delays continue

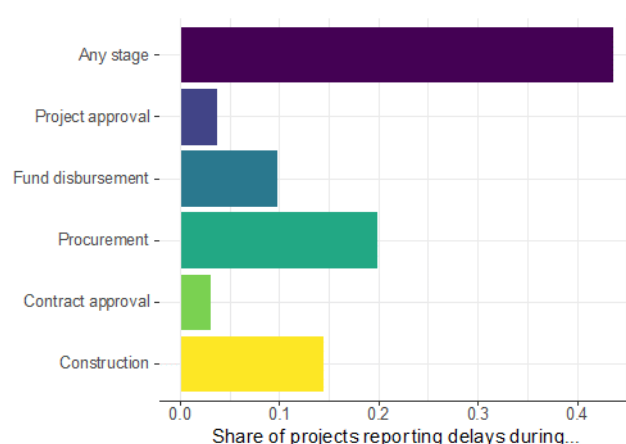
Local authorities reported delays at **centralised checkpoints and procurement stages** improved in 2024 relative to the 2023 project cycle. These reductions suggest that decentralisation reforms may contribute to greater efficiency, particularly at key decision points such as **fund disbursement, procurement approval, and project initiation**.

The average number of delay days at these checkpoints fell from **66 days in 2023 to 49 days in 2024**, indicating a **modest gain in operational efficiency**. Still, delays remain most acute during the **fund disbursement, procurement, and construction commencement stages**.

**TABLE 1: Average days of delays at centralised checkpoints**

Process	Mean	Median	Min	Max
AG Approval	23	20	0	45
MLG Approval	26	13	0	375
Procurement	40	33	0	184

These findings indicate the need for deeper structural reforms to accelerate implementation timelines and strengthen local execution capacity.

**FIGURE 3: Reported delays during the 2024 project cycle**

## Emerging impacts of community development projects

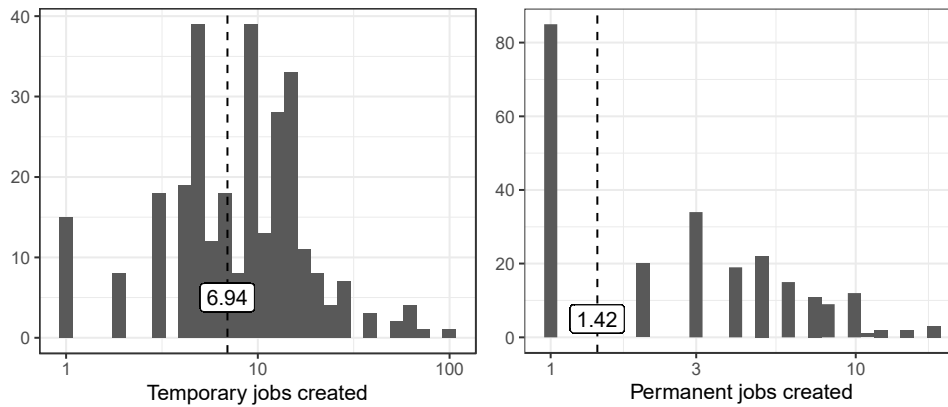
The research assessed the impact of CDF projects on **local employment and service delivery**. On average, each project from the 2024 cycle generated an estimated **6.9 temporary jobs**<sup>4</sup> and **1.4 permanent jobs**<sup>5</sup>, resulting in approximately **11,000 jobs** across the 1,332 projects.

Regarding reach, project leaders reported that each initiative benefited an average of **18,000 individuals**, with approximately **2,300** regular users of the infrastructure or services provided. These figures highlight the significant potential of well-implemented CDF projects to stimulate local economies and expand access to essential services.

<sup>4</sup> This refers to short-term employment opportunities created during a project's construction or implementation phase. They last for the duration of the project and often include roles such as casual labourers, construction workers, or support staff.

<sup>5</sup> This refers to long-term or ongoing employment positions that continue beyond the completion of a project. They typically include project operation, maintenance, and management, and are expected to be sustained over time by the local authorities or community institutions.

**FIGURE 4: Estimated number of jobs created by 2024 projects**



### Case: Construction of Butondo Health Post in Mufulira district



Image credit: Mayor of Mufulira Municipal Council

The construction of the Butondo Health Post has had a transformative impact on the surrounding community, significantly reducing healthcare disparities and improving the quality of life for residents. Before its establishment, the community struggled with limited access to healthcare, often travelling long distances to reach the nearest facility. This not only delayed emergency care but also contributed to poor maternal and child health outcomes.

Built at a cost of ZMW 1,190,000, the health post now provides essential medical services, including immunisations, maternal and child healthcare, and treatment for common illnesses. It has dramatically reduced travel time and associated costs for over **4,000 residents** who previously relied on far-off health centres.

Beyond healthcare access, the project has contributed to local development. During the construction phase, it generated over **120 temporary jobs** and has since created

**20 permanent positions**, contributing to local economic activity and livelihoods. The health post now stands as a key community asset, enhancing wellbeing and strengthening the social fabric of the area.

## Community perceptions show improvement, but concerns remain

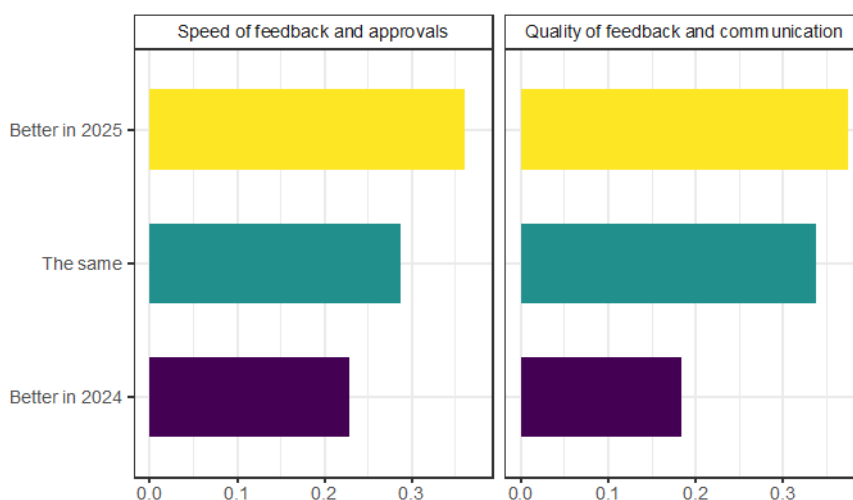
Survey responses suggest relatively **strong community engagement and satisfaction** with completed projects. For example, **51% of Ward Development Committee (WDC) chairpersons** felt that project selection processes reflected local priorities, an encouraging sign for participatory planning.

However, concerns remain regarding the **quality of implementation and contractor performance**. Field visits to 150 community projects revealed:

- **41%** reported quality issues with contractors
- **32%** received formal complaints
- **19%** experienced some form of mismanagement
- **22%** required repairs or additional construction

These issues were often linked to **limited technical capacity among local contractors**. While communities prefer to hire locally, many local firms lack the skills or resources to execute complex infrastructure projects effectively.

**FIGURE 5: Feedback and perception of 2024 projects**



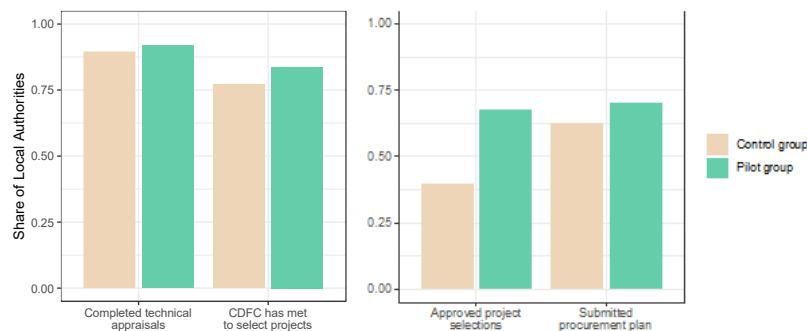
## Signs of progress, but delivery challenges persist

Preliminary results from the pilot programme indicate **modest but encouraging impacts**. Compared to non-pilot districts, pilot local authorities showed **moderate acceleration in project selection** and notable **improvements in approval and procurement planning**.

By early 2025, **75 projects** had already taken advantage of the **higher procurement threshold**, showing early uptake of more flexible procurement rules.

However, it remains **too early to assess long-term outcomes**, including contractor performance, procurement efficiency, and project sustainability. Further evaluation in late 2025 and early 2026 will be critical in determining the full impact of the pilot reforms.

**FIGURE 6: Early impacts of the pilot programme**



## Policy recommendations: Unlocking delivery through targeted reform

The research highlights the need for **targeted policy reforms** to enhance the CDF's effectiveness and impact. While the 2024 pilot programme addressed constraints in **project approvals** and **procurement flexibility**, significant **bottlenecks in fund disbursement** continue to hinder the timely implementation of community projects.

Reforming disbursement systems is essential to reduce delays and empower local authorities to manage projects more efficiently. Both research findings and stakeholder consultations point to three priority areas for reform:

### 1. Integrate local authorities into the Treasury Single Account (TSA):

Bringing local authorities onto the TSA platform would enhance **oversight, transparency, and the timely release of funds**. This integration would reduce fragmentation in fund management, enable better tracking of public resources, and align local spending with broader national fiscal policy frameworks.

### 2. Implement budget profiling at MLGRD: The current funding model, where funding requests are aggregated monthly and submitted to the Ministry of Finance and National Planning (MoFNP), has contributed to disbursement delays. **Budget profiling** would allow for a **phased, needs-**

**based release of funds**, aligned with local project timelines and implementation capacity. This shift would help reduce execution bottlenecks and improve project delivery.

**3. Modernise financial information systems for local authorities:** Many local authorities still rely on **manual systems and outdated record-keeping**, increasing the risk of reporting delays, errors, and mismanagement. Investing in **modern, digital financial management systems** would:

- Improve the accuracy and timeliness of reporting
- Enhance accountability and transparency
- Support real-time monitoring and provide a reliable audit trail
- Strengthen public confidence in the use of CDF resources

### Looking ahead

Further evaluation of the pilot programme, particularly at the close of the 2025 project cycle, will offer critical evidence to inform future decentralisation policy decisions. This continued learning process will be key to understanding the trade-offs and long-term potential of broader CDF reform.

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