



**PERFORMANCE AUDIT REPORT OF THE AUDITOR GENERAL  
ON THE  
YOUTH EMPOWERMENT PROGRAMME OF THE  
MINISTRY OF YOUTH AND SPORT.**

**March, 2015**

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the Ministry of Youth and Sports



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# 1. EXECUTIVE SUMMARY

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Accessing finance in Zambia, especially by the youth, is expensive and difficult to source due to the high lending rates and the demand for collateral by the financing institutions. As such, Government in the year 2006, through the Ministry of Youth and Sport, created the Youth Development Fund (YDF) to respond to Zambia's youth unemployment crisis and be able to enhance job creation thereby reducing poverty.

The objective of the audit was to assess whether the loan repayment process was effective and the Fund was creating employment.

The audit of the YDF was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) ISSAI 300 and 3000 - 3999 series and AFROSAI-E Performance Audit Manual - 2010.

In order to arrive at the findings and conclusions on the YDF, the audit was based on document review, interviews and inspections at the headquarters and in five (5) Provinces were used.



### a) **Revolving Nature of the Fund**

During the period 2011 to 2014, the total budgeted funds for the YDF have increased from K10 million to K20.2 million, representing a 102% increase. There has been a shift from grants to loans, with a four-fold increase in loans, from K2,5 million to K13 million, and a reduction in grants from K7 million to K3 million.

Due to the non-repayment of loans by beneficiaries, the Fund, which was created to be revolving in nature, was not revolving. The Fund was dependent on Treasury releases, thereby bringing into question the sustainability of the Fund in the absence of funding from the Treasury.

The Ministry did not maintain a comprehensive database showing loans disbursed and recoveries made, thereby making it impossible to ascertain the loan repayments by beneficiaries for the period under review.

Due to a lack of a comprehensive database, it was observed that thirty three (33) beneficiaries who obtained loans between 2011 and 2013 with a loan portfolio of K488,118 could not be traced using the addresses and contact details used on file.

### b) **Employment Creation**

According to the YDF Guidelines, the youth entrepreneurs who obtain loans should create employment for their fellow youths as per specifications in the business proposals.

However, the Ministry did not avail for audit, information used to arrive at the statistics of the number of jobs created, the status of employment, whether it was temporal or permanent. The Ministry also did not provide comparative figures for job created during the period from 2011 to 2013, thereby making it difficult to ascertain the trend in employment creation over the years.

The YDF Guidelines state that all successful applicants are required to undergo appropriate training and mentorship in basic business skills and financial management skills before the release of funds to them. However, interviews conducted revealed that a one (1) week training programme in basic business management was given to the successful applicants before disbursement of the loan and that the training offered by the Ministry was not related to the sectors that the different beneficiaries were involved in.

It was also observed that the ministry did not have information on how the loans disbursed to youths were utilised. It was unclear to what extent the loans had been utilised towards the purpose they were granted.

### 3. CONCLUSIONS

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It is clear from the findings above, that the objectives of the Youth Development Fund of supporting the growth of sustainable Youth-led SMEs into the private sector for wealth and employment creation are not being met.

The recovery of loans by the Fund is low and hence failure by the Fund to revolve. The Fund has been depending on funding from the Treasury in order to disburse loans, bringing into question the sustainability of the Fund in the absence of Treasury support.

The actual results in job creation as per information from the Ministry could not be ascertained and there was no classification of the type of employment (temporal or permanent) which the beneficiaries had created.

## 4. RECOMMENDATIONS

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In order to improve the operations of the Youth Development Fund (YDF), it is recommended that the following be considered:

The Ministry should revise the Guidelines so that matters relating to loan default are addressed and punitive measures put in place. The revision of the Guidelines should also address the type of employment creation that the Ministry expects the beneficiaries to create and should set a tolerable level of loan default so that less funds are lost through default. The Ministry should also consider revising the role of the loan guarantors in the YDF Guidelines.

The Ministry should consider creating a database of all YDF beneficiaries which must be regularly updated and verified during the monitoring exercise. This exercise should include issuance of reminders for beneficiaries whose repayments are due, spot checks on staff employed by the beneficiaries and undertaking reviews on the performance of the enterprises.

The Ministry should implement the provisions in the YDF Guidelines which require training and mentorship to be given periodically during the tenure of the loan. In this way, youths who lack businesses know how would be attached to mentors for guidance.

The Ministry of Youth should closely coordinate with Ministries of Commerce and Labour to assist the beneficiaries with access to business linkages for a ready market for their goods/services and to ensure compliance with the Labour Laws.

The Ministry should develop clusters of the loan categories so that training programmes are tailored according to the industry or sector in which the loan is obtained.





## **1. INTRODUCTION**

Access to finance in Zambia is difficult and expensive due to high lending rates. This problem has been exacerbated by the need for collateral requested by various lending institutions. This had led to most Zambians including youths failing to access finance leading to increased levels of youth unemployment and poverty.

As such, the Government in the year 2006, through the Ministry of Youth and Sport (MYS), established the Youth Development Fund (YDF) to respond to Zambia's youth unemployment crisis and be able to enhance job creation thereby reducing poverty. The operations of the YDF were based on grants being disbursed to youth organisations. However, in 2011, the funding profile and management of the Fund changed, with more emphasis being placed on loan disbursements than grants and decentralisation to the Provinces.

The objective of the YDF is to lend finance to viable projects by the Young Entrepreneurs as well as enable the youth benefit from associated training and mentorship services. The YDF is therefore aimed at supporting the growth of sustainable youth-led Small to Medium Scale Entrepreneurs (SMEs) into the private sector for wealth and employment creation.

The objective of the audit was to assess whether the loan repayment process was effective and the Fund was creating employment.

## **2. MOTIVATION**

The audit was motivated by a number of factors as outlined below:

- a) In 2011, the funding profile for YDF changed from grant to loan based. The change in the profile exposed the Fund to the risk of failure to recover loans disbursed.
- b) The Report for the Auditor General for the financial years 2010 and 2012 highlighted irregularities in the management of YDF such as non-repayment of the loans and awarding of loans without adhering to procedures.
- c) During the period under review, the funding to the Fund by the Treasury increased from K10,000,000 in 2011 to K20,233,899 in 2014. This represented an increase of 102% in the Fund.



- d) The Minister of Youth and Sport disclosed that out of a combined loan portfolio of K4,100,000 between 2010 and 2011 allocations to the Youth Development Fund issued to beneficiaries, only K110,000 had been paid back and he further issued a two (2) months ultimatum to individuals and youth organisations that benefited from the 2010 and 2011 Youth Development Funds to pay back the loans. However, as of October 2013, the ultimatum had elapsed and no funds were repaid by 2010 and 2011 beneficiaries. *Source: Zambia Daily Mail (15 August, 2013).*

### 3. DESIGN OF THE MAIN STUDY

#### 3.1 Objective of the Audit

The objective of the audit was to assess the effectiveness of the YDF in achieving the goal of a revolving Fund and whether the beneficiaries were creating employment for fellow youths.

#### 3.2 Audit Questions

The audit was designed to answer the following questions:

1. To what extent is the YDF revolving?
  - 1.1 Does the Fund evaluate the viability of the business plans proposed by the beneficiaries?
  - 1.2 What measures has the Ministry put in place to ensure beneficiaries repay loans according to the terms of the loan agreements?
2. What measures has the Ministry put in place to ensure that the Fund beneficiaries were creating employment for fellow youths?
  - 2.1 Does the Fund provide appropriate training in business practice to beneficiaries?
  - 2.2 To what extent does the Fund monitor and evaluate job creation?

#### 3.3 Audit Scope and Limitation

The audit of the YDF at the Ministry of Youth and Sport covered the period from 2011 to 2014. The period before 2011 was excluded because the YDF was operating on a grant basis as opposed to loans.

The audit covered fifteen (15) Districts in five (5) provinces. *Appendix 2.*

The provinces were selected on the basis of amounts disbursed, total number of beneficiaries and economic activities. *Appendix 1.*



### 3.4 Audit Criteria

The source of the audit criteria was the Youth Development Fund Operational Guidelines on the Management and Utilisation of the Youth Development Fund and the National Youth Policy.

#### a) Youth Development Revolving Fund

The Guidelines stipulate that loans are given to youths aged between 18 and 35 that are engaged or would like to venture in entrepreneurial activities for a profit. Among the requirements the youth need to have a viable project with potential for job creation presented in a brief and simple description and a guarantor from community leaders such as the clergy, senior government officials, civic leaders and traditional leaders.

According to the YDF guidelines, project evaluation requires that project proposals shall be subject to a thorough evaluation process by the Provincial Youth Development Fund Committees and the Youth Development Fund Technical Committee.

Furthermore, under loan revolving criteria in the Guidelines, the funding of proposals shall strictly depend upon the project viability.

Upon satisfaction of the loan application criteria, eligible applicants are awarded loans in amounts ranging from K2,500 to K50,000 repayable in periods between twelve (12) and thirty six (36) months. YDF Guidelines number 5.0, page 4 which stipulates that the loan shall have a grace period of not more than six (6) months. The loans shall attract a simple interest of 4%.

All loan beneficiaries were required to repay the loan to the Ministry of Youth and Sport in monthly installments based on the loan amount an applicant was offered.

YDF Guidelines number 9.1 pages 8, which provides that the National Youth Technical Committee will have the responsibility to assess the Youth Development Fund's performance by obtaining feedback from the Monitoring and Evaluation Committee, independent evaluations and Provincial Youth Development Fund Committees.



The National Youth Development Fund Technical Committee and the Provincial Youth Development Fund Committee constitute the Monitoring and Evaluation Committee that is responsible for;

- i. Periodical inspection, monitoring and evaluation of all funded projects;
- ii. Submitting progress Reports on loans and grants

YDF Guidelines number 9.2, page 9, stipulates that the Provincial Youth Technical Committee will conduct monitoring and evaluation activities of funded projects.

**b) Employment Creation for the Youth**

According to the YDF Operational Guidelines, the objectives of the revolving fund were the stimulation of active youth participation in the socio-economic development of the country and the creation of employment opportunities for fellow youths through youth led enterprises.

National Youth Policy objective 1.5 (b) – To reduce unemployment through promotion of self-employment enterprises.

National Youth Policy objective 1.5 (f) – to upgrade the quality of life among the youth through increased income generating ventures which improve real income.

In order to achieve the goals of the YDF, the Ministry would provide the following support services to the beneficiaries:

- i. Training in basic business management and technical skills/support for the enterprises;
- ii. Follow-up training, counseling and mentoring;
- iii. Market or business linkages in collaboration with other organizations



### **3.5 Audit Methodology**

The audit of the YDF was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) ISSAI 300 and 3000- 3999 series and the AFROSAI-E 2010 Performance Audit Manual.

Out of the total beneficiaries of 696 with a loan portfolio of K21,226,936 the audit team visited and interviewed eighty eight (88) beneficiaries who received loans of not less than K25,000 who had a loan portfolio of K3,289,239 representing 15.5% loans disbursed in fifteen (15) districts in five (5) provinces.

#### **a) Document Review**

The document review was carried out at the headquarters and the five (5) provincial youth offices in order to understand the policy and direction for the youth in the Country, establish budget allocations for the YDF, gain an understanding on how the YDF is supposed to be managed and determine the progress made by the funded projects. *Appendix 4 refers.*

#### **b) Interviews**

The audit team conducted interviews with the Chief Youth Development Officer at the Ministry of Youth and Sport headquarters and the Provincial Youth Development Coordinators from the Lusaka, Copperbelt, North Western, Southern and Eastern Youth Provincial Offices, in order to enhance the understanding of the way the YDF operates at the national and provincial levels.

In addition, five (5) members of the National Youth Development Committee were interviewed in order to understand how the desk and field appraisals were conducted. Seventy eight (78) beneficiaries were also interviewed so as to verify whether they were adhering to the loan guidelines with regard to repayments and employment creation for their fellow youths.

The projects selected were on the basis of amounts disbursed and the availability of the beneficiaries.

#### **c) Physical Inspections**

These were undertaken so as to establish the existence of the projects, whether the funds were applied for the intended purpose and verify whether the beneficiaries



had created employment for their fellow youths. The projects were selected on a random basis, drawn from projects that had received at least K25,000. The audit team carried out the site visits as shown in the table below:

PROVINCE	NUMBER OF PROJECTS VISITED
Lusaka	11
Copperbelt	24
Southern	25
Eastern	12
North-Western	16
<b>Total</b>	<b>88</b>

## 4. FINDINGS

### 4.1 Revolving Nature of the Fund

The YDF received K61,217,899 during the period from 2011 to 2014. The funds were utilised on the disbursement of loans and grants as well as administrative costs as tabulated below.

**TABLE 1 - BUDGETED AMOUNTS AND DISBURSEMENTS TO THE YOUTH DEVELOPMENT FUND**

	2011 K	2012 K	2013 K	2014 K	TOTAL K	PERCENTAGE CHANGE 2011-2014
Loans	2,500,000	6,700,000	12,000,000	13,000,000	<b>34,200,000</b>	<b>420%</b>
Grants	7,000,000	4,000,000	3,800,000	3,000,000	<b>17,800,000</b>	<b>-57%</b>
Administrative costs	500,000	1,142,000	3,342,000	4,233,899	<b>9,217,899</b>	<b>747%</b>
<b>Total</b>	<b>10,000,000</b>	<b>11,842,000</b>	<b>19,142,000</b>	<b>20,233,899</b>	<b>61,217,899</b>	<b>102%</b>
<i>Relative to total budget</i>						
Loans	25%	57%	63%	64%	<b>56%</b>	
Grants	70%	34%	20%	15%	<b>29%</b>	
Administrative costs	5%	10%	17%	21%	<b>15%</b>	
<i>Loans and grants combined</i>						
Nominal	9,500,000	10,700,000	15,800,000	16,000,000	<b>52,000,000</b>	<b>68%</b>
Percentage of funds	95%	90%	83%	79%	<b>85%</b>	

Source: Ministry of Finance-Funding details and the Estimates of Revenue and Expenditure and OAG Analysis



During the period from 2011 to 2014, the total budgeted funds for the YDF increased from K10 million to K20,2 million, representing a 102% increase. During the period, there had been a shift from grants to loans, with a four-fold increase in loans, from K2,5 million to K13 million, and a reduction in grants from K7 million to K3 million.

The YDF disbursements from the Ministry includes administrative costs for the management of the Fund. The administrative costs have increased from K500,000 to K4.2 million resulting in an increase from 5% in 2011 to 21% in 2014 of the funds available for disbursements. With the interest rate of 4% charged on beneficiaries, the administrative costs cannot be covered by the interest charged on the loans and the Fund has to depend on the disbursement from the Treasury.

#### **4.2 Low Repayment of Loans**

According to the YDF Guidelines, all loan beneficiaries were required to repay the loan to the Ministry of Youth and Sport in monthly installments that were calculated based on the loan amount an applicant was offered.

The Fund is supposed to be revolving by nature, where the beneficiaries are expected to pay back to the Fund within a stipulated time in order to allow other applicants to benefit from the Fund. It was however observed that the Fund was not revolving due to low or non-repayment of the loans obtained.

Despite having disbursed the loans, the Ministry did not maintain a database of individual loan accounts for the beneficiaries thereby making it difficult to ascertain each beneficiary's indebtedness. Out of the five (5) provincial offices visited, only Eastern Provincial Youth Office maintained individual accounts for the loan beneficiaries. As a result, it was not possible for the Fund to determine how much was collectable and eventually how much was due at a point. The Fund had to depend on the Treasury to release funds for disbursements to new beneficiaries.

It was observed that out the total loan portfolio of K21,226,936 during the period from 2011 to 2013 and disbursed to six hundred and ninety six (696) beneficiaries. According to a report on the Youth Development Fund dated November 2013, the Ministry had only recovered 20% of the expected loan amounts. However, there was no documentation availed to support the reported recoveries. It was therefore difficult to ascertain the actual amount recovered. Furthermore, the Ministry has not established the national database showing the loans disbursed, recoveries and the outstanding balances.

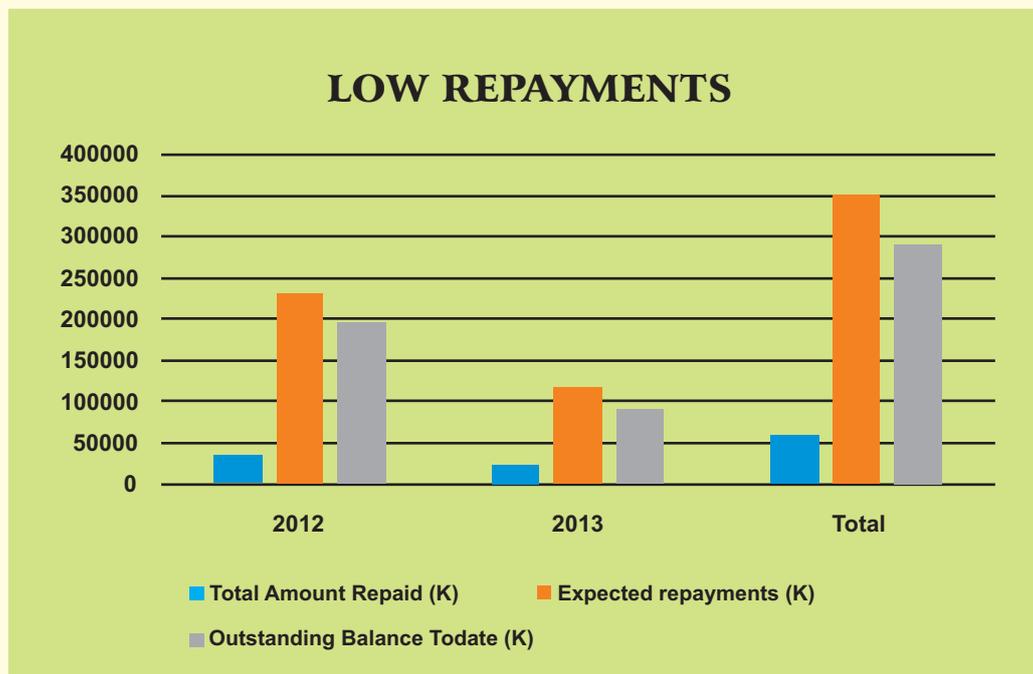


From a sample of eighty eight (88) beneficiaries visited during the audit, it was observed that fifty seven (57) beneficiaries who obtained loans between 2012 and 2013 with a loan portfolio of K2,088,851 were not servicing their loans. In this regard, expected loan repayments in amounts totaling K4,464,232 had not been repaid as of July 2014. **(Schedule 1)**

The twenty seven (27) beneficiaries visited during the audit were not consistent with servicing of their loans. In this regard, these beneficiaries with a total loan portfolio of K999,990 with expected repayments in amounts totaling K350,039 had only paid K86,462 representing 25 % of expected amount as of July 2014. **(Schedule 2)**

The remaining four (4) beneficiaries visited were on course with the servicing of their loans as of July 2014.

### CHART ONE LOW REPAYMENTS OF LOANS 2012 AND 2013





### 4.3 Unrecoverable Loans

It was observed that thirty three (33) beneficiaries who obtained loans between 2011 and 2013 with a loan portfolio of K488,118 could not be traced by either the Ministry or the audit team.

The Ministry did not provide any information with any information regarding the steps and measures taken to trace the beneficiaries. Further, the Ministry did not take any initiatives to contact guarantors to help trace the beneficiaries **(Schedule 3)**

### 4.4 Insufficient Follow-up of Beneficiaries

According to the Guidelines, the National Youth Development Fund Technical Committee and the Provincial Youth Development Fund Committee were required to constitute Monitoring and Evaluation Committees which were responsible for periodical inspection, monitoring and evaluation of all funded projects.

The administrative cost of the Fund includes the monitoring function to check on projects which were being implemented from time to time. Interviews with the provincial youth coordinators and beneficiaries as well as documentary reviews revealed that monitoring was not carried out periodically and not all projects.

Out of the 88 beneficiaries interviewed, forty seven (47) beneficiaries, representing 53% of the beneficiaries visited had not been visited by the Monitoring and Evaluation Committee. Further, twenty five (25) beneficiaries representing 28% were visited by the Monitoring and Evaluation Committee between one and three times while sixteen (16) beneficiaries representing 18% were visited more than three times. **(Appendix 3)**

There were weaknesses observed during the running of the Fund in that the Guidelines did not include the action to be taken against the defaulters. In particular, the following were observed:

#### a) **Non-Involvement of Guarantors in Loan Administration**

According to the YDF guidelines, each borrower shall provide collateral in form of property or at least one (1) guarantor who must be a person of good repute within the local community or legally registered institution; (e.g. clergy, senior government official, village head person, chiefs, and Commissioners of Oath) and the guarantors should not be related to the borrowers.



Interviews conducted with twenty six (26) guarantors revealed that their role restricted to confirming the addresses and had knowledge of the beneficiaries being recommended for the loans and that they did not have any further role to play in the project.

**b) Weaknesses in Follow up Mechanism**

According to the YDF operational guidelines, once the loan has been awarded and the grace period has elapsed, the beneficiary is advised to issue a standing order to his bankers instructing them to be remitting loan amounts to the Ministry on a monthly basis, with the Ministry retaining a copy of the instruction.

Interviews conducted with the five (5) provincial youth coordinators visited during the audit revealed that with the exception of the Eastern Province, the Ministry, through the Provincial Youth Coordinators did not issue any written reminders to the loan beneficiaries whose loans were due after the six (6) months period elapsed.

**c) Lack of Action on Defaulters**

The YDF Guidelines did not provide for any action to be taken in the event that the loan beneficiaries defaulted on the repayment terms of the loan. Upon request, the Ministry neither produced letters nor other documentary evidence to show any contact between the Ministry and the beneficiaries in order to claim payments from the defaulters.

**4.5 Employment Creation**

**a) Uncertainty on the objective of Employment Creation**

According to the YDF Guidelines, each business project should be able to provide employment opportunities commensurate to the nature of business and amount of the loan. The youth entrepreneurs who obtain loans should create employment for their fellow youths as per specifications in the business proposals.

According to the Ministry's Report on the Youth Development Fund dated November 2013, six hundred and twenty two (622) jobs had been created by the Fund beneficiaries.

However, the Ministry did not avail for audit, information used to arrive at the statics of the number of jobs created, the status of employment, whether it was temporal or permanent. The Ministry did not provide comparative figures for job



creation for the years 2011 and 2013, thereby making it difficult to ascertain the trend in employment creation over the years.

In this regard, it was observed that from the eighty eight (88) beneficiaries visited, only one beneficiary, South Link Logistics had employed eight (8) fellow youths on permanent basis as evidenced by the registration of employees with the National Pension Scheme Authority (NAPSA) and the Workman's Compensation Board.

Interviews with the remaining eighty seven (87) beneficiaries revealed that there was no documentary evidence to support employment creation.

**b) Difficulties in Ascertaining Loan Utilisation Details**

According to the YDF Guidelines, the loan beneficiaries should present documentary evidence to the Provincial Youth Coordinators on how the loan is utilised.

It was observed that the Ministry did not have information on how the loans disbursed to youths were utilised. It was unclear to what extent the loans had been utilised towards the purpose they were granted.

Of the 78 beneficiaries visited during the audit, none could provide documentary evidence of how the loans granted had been utilised. It was unclear to what extent the loans had been utilised towards the purpose they were granted. Out of the 88 beneficiaries visited during the audit, none could provide documentary evidence of how the loans granted had been utilised.

In addition, eight (8) beneficiaries who had obtained loans totalling K332,360 had diverted from the business plans that provided the basis for the awarding of the loans. *See Schedule 4.*

**c) Non Attachment of Mentors to Beneficiaries**

According to the YDF Guidelines, all successful applicants are required to undergo appropriate training and mentorship in basic business skills and financial management skills before the release of funds to them. The training and mentorship would be given periodically during the tenure of the loan. The Fund will also provide market or business linkages in collaboration with other organizations to beneficiaries.



Interviews conducted with the eighty eight (88) beneficiaries visited revealed that the Ministry provided a one (1) week training programme in basic business management skills. The beneficiaries interviewed stated that the training offered by the Ministry was not related to the sectors that the different beneficiaries were involved in. In addition, the Ministry did not offer periodic training or mentorship to the beneficiaries, contrary to the guidelines and did not offer advisory services including attachments to established businesses for mentorship.

In Livingstone, Christer Block and Pave makers received a loan of K50,000 in 2012 for the setting up of a block and paving making plant. However a physical inspection revealed that the beneficiary applied the loan to set up a barbershop contrary to the business proposal that formed the basis of awarding the loan. The beneficiary has still not made any loan repayments despite the grace period elapsing.

On the other hand, Chilu and Bornie, a butchery in Maramba Township, who obtained a loan of K40,000 in 2013, were operating successfully. The butchery generates a monthly revenue of around K5,000 per month and the beneficiaries had commenced their monthly loan obligations of K1,200.



## **5. CONCLUSION**

The objective of the Youth Development Fund is to support the growth of sustainable Youth-led SMEs into the private sector for wealth and employment creation. The Ministry does not provide sufficient evidence to support the number of jobs that have been created from the YDF. Further, the Ministry does not undertake adequate monitoring of projects to evaluate the performance of the Fund.

The actual results in job creation as per information from the ministry could not be ascertained and there was no classification of the type of employment (temporal or permanent) which the beneficiaries had created.

In 2011, the form of the Fund changed from a grant based to a loan based fund. The purpose of this change was to enable funds revolve within the YDF. However, during the period under review, loan recoveries were very low and insufficient to enable the Fund revolve; the Fund therefore was surviving on the release of funds from the Treasury. A higher degree of self-sustainment would enable the Fund to support a greater number of youth potentially increasing the effect of the Fund by a large margin.

The Fund does not have a database to facilitate the maintenance of ledgers of beneficiaries. At the same time, the Fund is exposed to high risk of default as they are no specific guidelines on the course of action for defaulting beneficiaries. The Ministry has not taken a proactive role of issuing reminders to beneficiaries whose repayments are due.

The YDF does not provide for involvement of guarantors during the project period apart from recommending the award of the loans at the inception. This has negatively impacted on the successful implementation and recovery of the loans. It is therefore questionable whether the system of guarantors adds value to the process considering their limited role.



## **6. RECOMMENDATIONS**

The Ministry should implement the provisions in the YDF Guidelines which require training and mentorship to be given periodically during the tenure of the loan. The need for and added value of extended training or mentorship should be considered on a case by case basis in order to maximize the available resources. In this way, youths who lack business know how would be attached to mentors for guidance, thereby increasing the probability of success in their businesses. In addition, the Ministry should develop clusters of the loan categories so that training programmes are tailored according to the industry or sector in which the loan is obtained.

The Ministry should closely coordinate with other Ministries such as Commerce and Labour to assist the beneficiaries with business linkages and access to ready markets for their products and ensure compliance with labour laws.

The Ministry should consider creating a database of all YDF beneficiaries which must be regularly updated and verified during the monitoring exercise. The exercise should include issuance of reminders for beneficiaries whose repayments are due. The reports from such exercises should include assessment of performance of various projects as well as specific recommendations on how to improve their implementation.

The Ministry should revise the Guidelines governing the Fund so that matters relating to loan default are addressed and punitive measures put in place. The Ministry should also consider revising the role of the loan guarantors in the YDF Guidelines so that they could be used to help in achieving the objectives of the YDF.

The revision of the Guidelines should also address risk profiling for issuance of loans to enable the Fund manage the risk of default within tolerable levels.



## 7. APPENDICES

### APPENDIX 1: TOTAL NUMBER OF BENEFICIARIES 2011- 2013

YEAR	NUMBER OF BENEFICIARIES	AMOUNT DISBURSED (K)
2011	118	2,135,900.00
2012	206	6,975,934.00
2013	372	12,115,102.00
<b>Total</b>	<b>696</b>	<b>21,226,936.00</b>

(Source: Youth Development Fund Beneficiaries Annual Reports 2011 to 2013)

### APPENDIX 2: DISTRICTS VISITED

PROVINCE	DISTRICT	NUMBER OF SITES
Lusaka	Lusaka	9
	Kafue	1
	Chongwe	1
Southern	Mazabuka	2
	Monze	2
	Choma	3
	Livingstone	16
Eastern	Chipata	12
	Petauke	1
	Katete	1
Copperbelt	Ndola	15
	Luanshya	3
	Kitwe	5
	Mufulira	1
North- Western	Solwezi	16
<b>Total Number of Sites Visited</b>		<b>88</b>



**APPENDIX 3: NUMBER OF MONITORING AND EVALUATION COMMITTEE VISITS**

NUMBER OF VISITS	NUMBER OF BENEFICIARIES	%
Zero	47	53
Once	11	13
Twice	9	10
Thrice	5	6
More than thrice	16	18
<b>Total</b>	<b>88</b>	

**APPENDIX 4: DOCUMENT REVIEW**

The following documents were reviewed:

NAME OF DOCUMENT	PURPOSE OF REVIEW
6 <sup>th</sup> National Development Plan	To establish how the targets in the development plan are being achieved
Strategic plan	To determine the direction, objectives and goals of the YDF
National Youth Policy	To understand the policy and direction for the youth in the country
Ministerial and other circulars	To understand the provisions and amendments made to the initial Youth Development Policy
Budget	To establish budget allocations for the YDF
Youth Development Fund Operational Guidelines	To gain an understanding on how the YDF is supposed to be managed
Field and desk appraisal reports	To help understand how the assessments were carried out
The minutes from the National and Provincial Youth Development committees	To gain understanding of the resolutions that were passed
Monitoring and evaluation reports	To determine the progress made by the funded projects
Bank statements	To determine the movements on the receipts and disbursements of the YDF
List of grants beneficiaries	To help create the sample for physical verification