



ZAMBIA ECONOMIC GROWTH FORUM 2024

DELIVERING BETTER LOCAL GOVERNANCE

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BOLD POLICY MOVES



Decentralization

The Government of Zambia has embarked on a path of decentralization reforms



CDF Ramp Up

The resources devolved to via the CDF increased more than 40 fold for 2022



An Opportunity

How can we get the most out of local governance?
Innovate and evaluate

THE PROMISE OF DECENTRALIZATION

BENEFITS OF BRINGING GOVERNMENT CLOSER TO THE PEOPLE

01

Local officials have **better information** about communities, can more efficiently tailor public goods to meet local needs

02

If preferences differ across space, **optimal level of control** is most localized that captures spillovers / economies of scale

03

Citizens can see what local government officials do, monitor performance and generate **local accountability pressure**



POTENTIAL PITFALLS

RISKS AND TRADE-OFFS WITH LOCAL GOVERNANCE



Local officials often face more severe **capacity constraints** than central government

For newer / weaker institutions, there is a risk of **elite capture** of government resources

Together, means that decentralizing control may inadvertently end up **decentralizing leakage** via incompetence or corruption



DIAGNOSTIC DATA ON THE ZAMBIA CDF

- What do we know so far about **how these tradeoffs are playing out on the ground?**
- Two rounds of **nationally representative survey data**

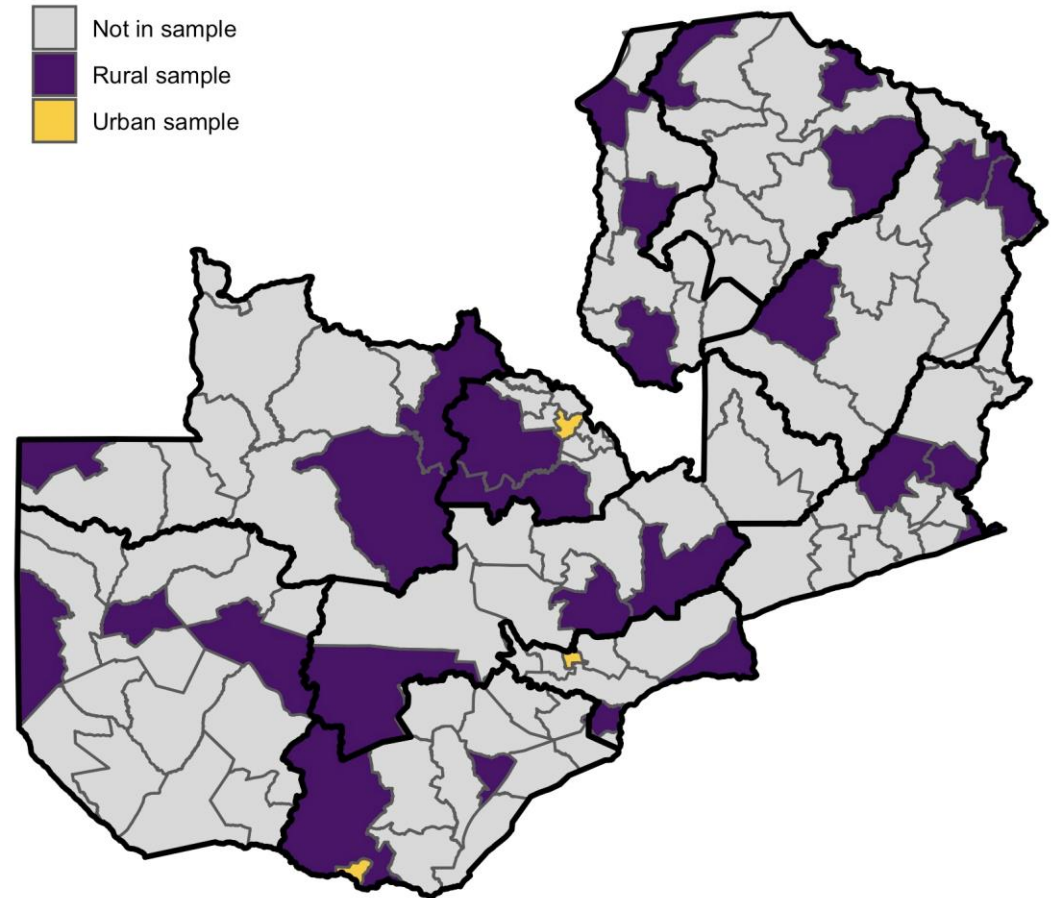
WHAT DO WE KNOW SO FAR ABOUT THE ZAMBIA CDF?

DATA FROM TWO SURVEY ROUNDS

We collected data in **30 Local Authorities** (LAs) spread across every province in 2022

We have recontacted **all 30 LAs** to check 2023 status in November

For each LA, we surveyed officers in Development Planning, Procurement, Engineering and Works

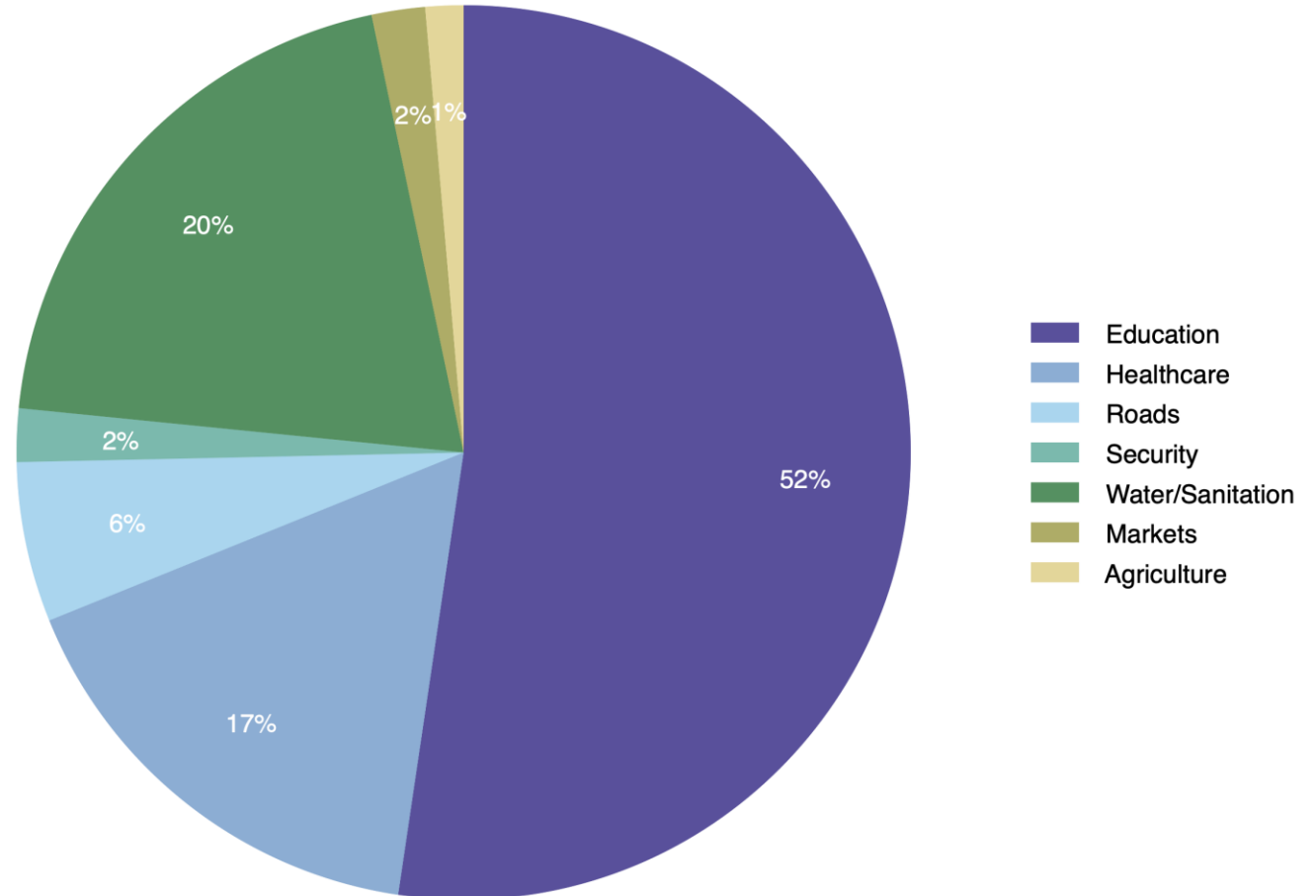


PROJECTS IN A VARIETY OF SECTORS

MIX OF LOCAL INFRASTRUCTURE

Most selected projects focus on **education, water/sanitation, and healthcare** sectors.

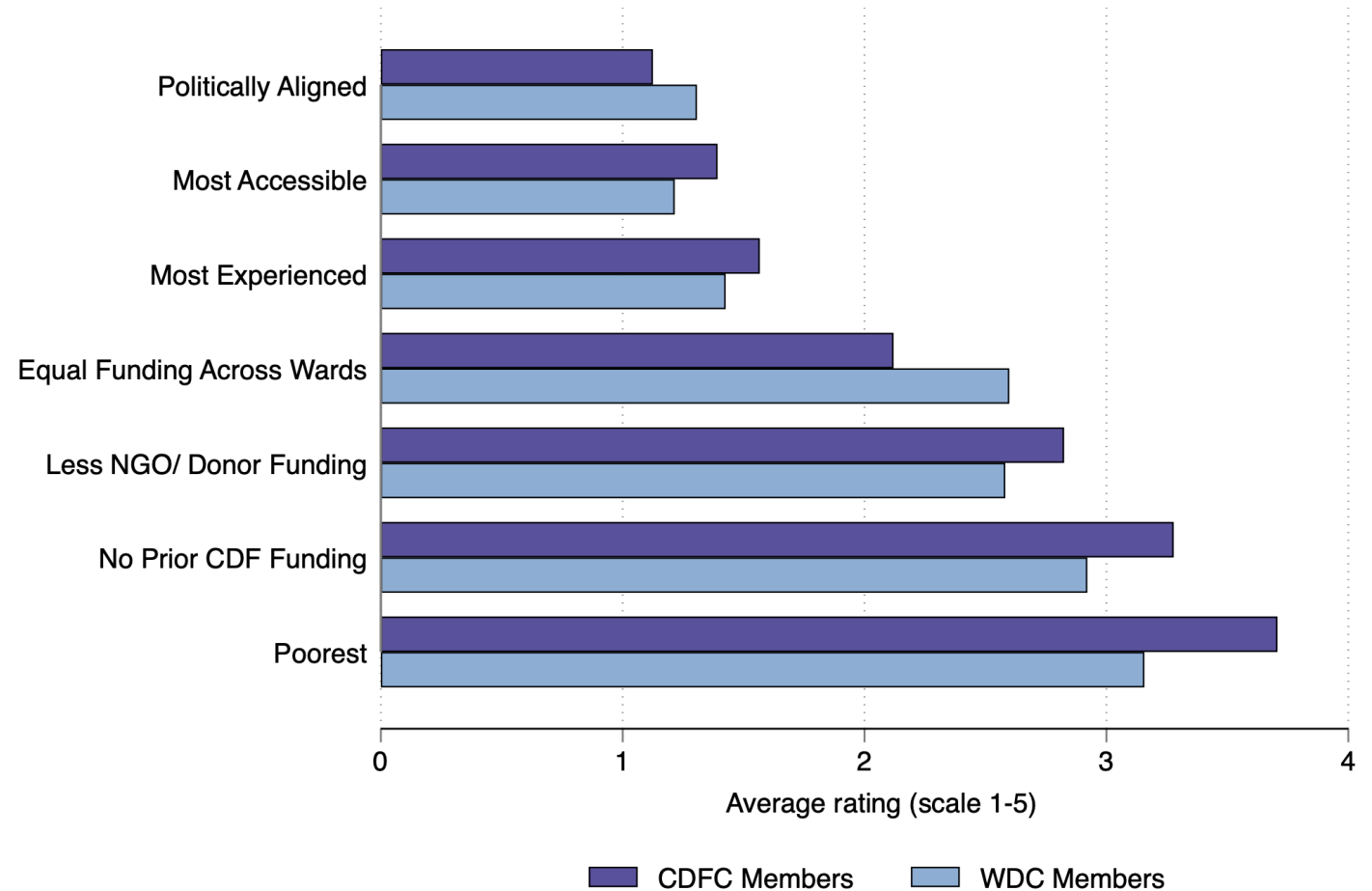
In 2023, these LAs on average selected **16 projects** with an average budget of **1M Kwacha** per project



INFORMATION AND TARGETING

PRO-POOR TARGETING

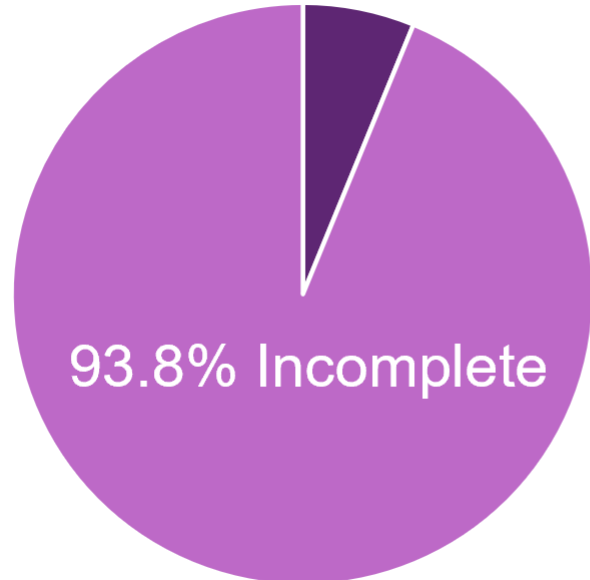
Both CDFCs and WDCs agree on **how to prioritize spending across wards**



LOW PROJECT COMPLETION RATES

SUGGESTS THAT CAPACITY MAY BE AN ISSUE

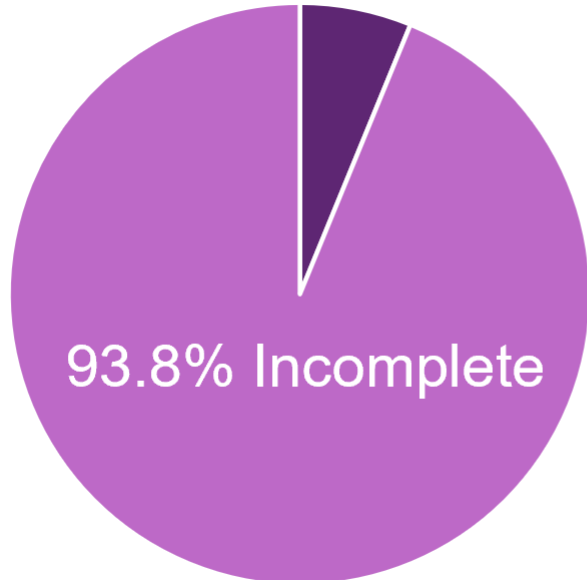
Of the 482 community projects these 30 LAs initiated for **2023**, **only 6.2%** have been completed as of mid-November



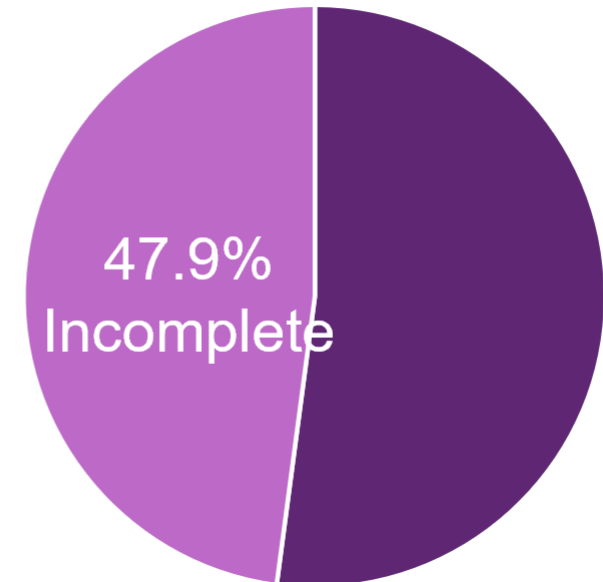
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Of the 818 community projects these 20 LAs initiated for **2022**, **only 52.1%** have been completed **22 months** after launch



VARIATION ACROSS SPACE

THE AVERAGE MASKS WIDE VARIANCE

Inside the **average** completion rate of 52.1%, there are both

High performers: one LA had completed **94%** of its 2022 projects

and

Low performers: one LA had completed **zero** of its 2022 projects



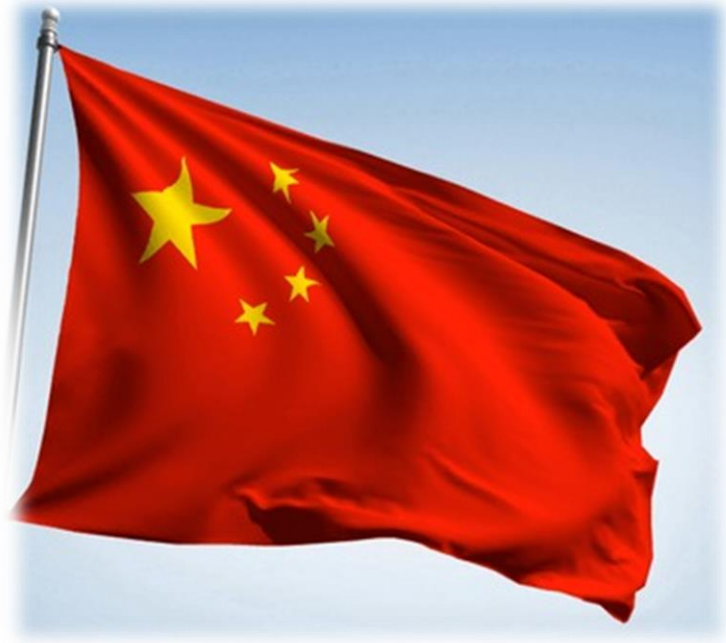


WHAT HAVE OTHER COUNTRIES TRIED?

- Goal is to **unlock the full potential** of decentralization
- It can be useful to look at **innovative approaches from other contexts**

LOCAL BUREAUCRATIC CAPACITY

CHINA AND COLLEGE GRADUATES



The Chinese government hires **university graduates** and **assigns them to support village governments**

Idea is that they are better educated and more independent, while also embedded in local communities

A study finds that these aids **improve the targeting and delivery** of pro-poor social assistance programs

INFORMATION AND LOCAL TALENT

SIERRA LEONE AND LOCAL TALENT

Community nominations and private screening on technical merits identified high human capital residents

A **public nudge** put them in charge of local infrastructure proposals for a district grant competition

These local “technocrats” on average had **higher quality proposals** and were **more likely to win grants** for their communities



AUDITS AND ACCOUNTABILITY

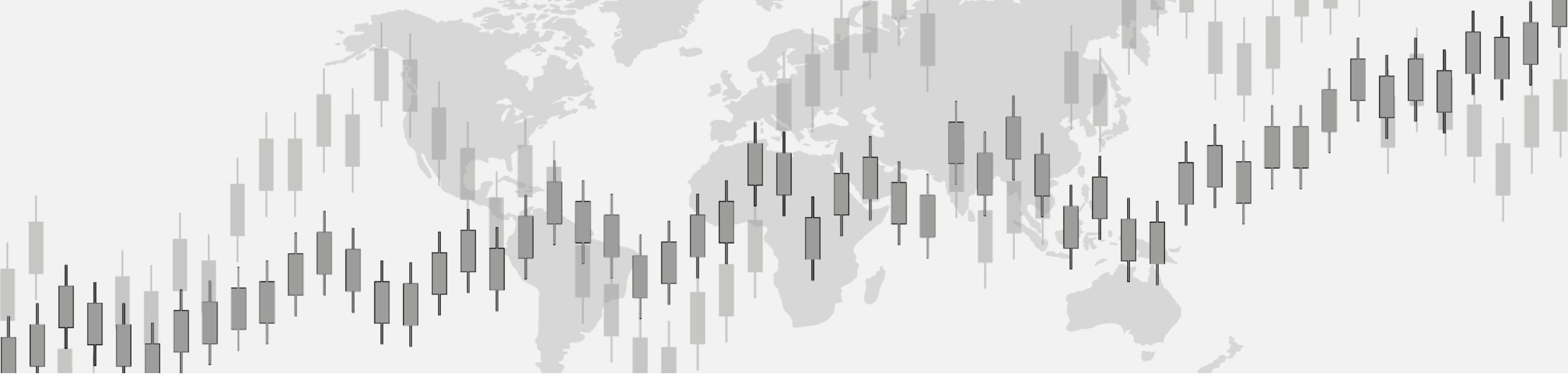
BRAZIL'S MUNICIPAL AUDITS



Central government launched an anti-corruption program, including **random audits of municipal expenditures** of federally transfers

Audit reports **disseminated via mass media**, some before, some after mayoral elections

Voters who found out how their mayors performed **voted out the corrupt and retained the honest ones**



COMMON THEMES

- **Focus on information:** both in the interventions and in the assessment of whether they work
- **Building robust data collection** and analysis into the local governance system
- Bold and creative experiments: **innovate and evaluate!**