ZAMBIA ECONOMIC GROWTH FORUM 2024

DELIVERING BETTER LOCAL GOVERNANCE

Katherine Casey, Professor of Political Economy
Stanford University and IGC
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
Local officials have better information about communities, can more efficiently tailor public goods to meet local needs.

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

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.
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.
Both CDFCs and WDCs agree on how to prioritize spending across wards.
LOW PROJECT COMPLETION RATES

SUGGESTS THAT CAPACITY MAY BE AN ISSUE

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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.
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. The 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.
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!**