

Decentralisation and Operational Efficiency of Budget Implementation at Local Government Level in Zambia

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Most countries in Sub-Saharan Africa are faced with the need to substantially improve the quality and performance of their national PFM systems. One of the key constraints to do so consists in the scarce capacities for many core PFM functions, as much within the executive and public administration as among parliamentarians, civil society organizations, and the wider public. At the same time, most African countries – usually strongly supported by donors – pursue more or less credible decentralisation strategies.

For the performance of PFM systems in these countries this implies both opportunities and risks. On one hand, capacities at local government level are generally even weaker than at central government level, meaning that decentralisation may deteriorate PFM performance even further. On the other hand, decentralized decision making might provide for an efficient mechanism to find innovative solutions to PFM problems within the given resource and capacity constraints.

This paper reports the findings of an empirical study on the operational efficiency of service delivery at local government level in Zambia. The study, conducted in 2010, undertook a quantitative and qualitative comparison of budget implementation at local level in perceived good and bad performing districts. The main aim was to identify ‘non-systemic’, i.e. technical solutions, to common PFM problems at local government level in Sub-Saharan African countries that could be replicated across districts and possibly countries.

The main contribution of this research consists in providing for a clearer understanding of (i) the causes of inefficiencies in transforming budget allocations into service delivery at local level, and (ii) how the operational efficiency of budget implementation in Zambia could be improved. The study concentrates on the provision of public goods and services in the sectors health, education, and rural road maintenance and a particular focus lies on the potential and challenges generated by the country’s current decentralisation policy.