Early Warning System

WB-P169384

Public Sector Governance for Service Delivery Program

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Quick Facts

Countries	Zambia
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	U
Voting Date	2019-06-17
Borrower	Government of Zambia
Sectors	Finance, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	$ 80.00 million
Project Cost (USD)	$ 80.00 million

Project Description

According to bank documents, the project objective is to strengthen institutions for accountable local service delivery in Zambia.

The project activities are grouped under four components based on the three KRAs of the Government Program that the project intends to support:

1. Strengthened Governance and Fiscal Framework for Local Service Delivery: The project will support key agencies of the Central Government in
    i. developing transparent and predictable fiscal transfer system, and
    ii. monitoring of local government finances and performance for effective and accountable local governance and service delivery, and
    iii. strengthening of oversight of local government institutions. Focus areas include: applying the rules governing public financial management (such as the recently enacted Public Finance Management Act) to local governments; development of the transparent and efficient management of the intergovernmental fiscal framework to ensure timely and predictable transfer of resources to local governments; monitoring the performance of local government own-source revenues and budget execution; developing standardized financial reporting system for local governments; the monitoring and management of intergovernmental fiscal transfer system, and implementation of an Audit Strategy and the effective and transparent functioning of integrity and audit committees in local governments.
2. Performance Grant for Service Delivery. The project will put in place a performance- based framework that will incentivize institutional performance and accountability of local governments from the bottom up. In accordance with the Government's Intergovernmental Fiscal Architecture, the project will introduce a "Performance Grant" to local governments that will reward superior institutional performance as measured through an Annual Performance Assessment (APA). Specifically, the APA will measure the performance of participating local governments in core areas of governance, selected service delivery-related indicators and mechanisms for strengthening external accountability. The Performance Grant will be formula-based and will provide a transparent and predictable source of discretionary funding to eligible local governments necessary for more efficient and effective service delivery. The Performance Grant will be available to all Town Councils (96) and will reward them for achieving pre-set performance benchmarks in core areas of local governance, including planning, financial management, local revenue mobilization and citizen engagement.
3. Capacity-Building Support to Strengthen Local Governance and Service Delivery: This component will finance a targeted capacity-building program to enhance performance of local governments in the key reform areas. The project will provide capacity-building support to strengthen both the supply and demand sides of local governance. On the "supply" side, capacity support will include the following: Strengthening local government systems and capacities (in core areas such as planning, budgeting, financial management); Strengthening oversight and management systems for local government performance by higher levels, including the Ministry of Local Government and the Local Government Service Commission; Strengthening training capacity and systems at the Chalimbana Local Government Training Institute; Improving ICT systems to help local governments in revenue collection and select service delivery areas under their mandate. On the "demand" side, measures will cover: Citizen engagement to build awareness and strengthen the relations with local governments (including use of ICT) through increased transparency of local finances and around the performance of select services; Strengthening local governments through financing demand-driven capacity needs.
4. Project Management: This component will provide support to the PFM Reform Unit in the Ministry of Finance for overall project management. In addition, support will be provided to other key entities involved in project management such as the Ministry of Finance, Decentralization Secretariat and to the Ministry of Local Government for areas under their

Investment Description

- World Bank (WB)

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Bank Documents

- Concept Project Information Document (PID) - Public Sector Governance for Service Delivery Program - [Original Source]