

Improving Local Government Performance by Giving Civil Society a Stake

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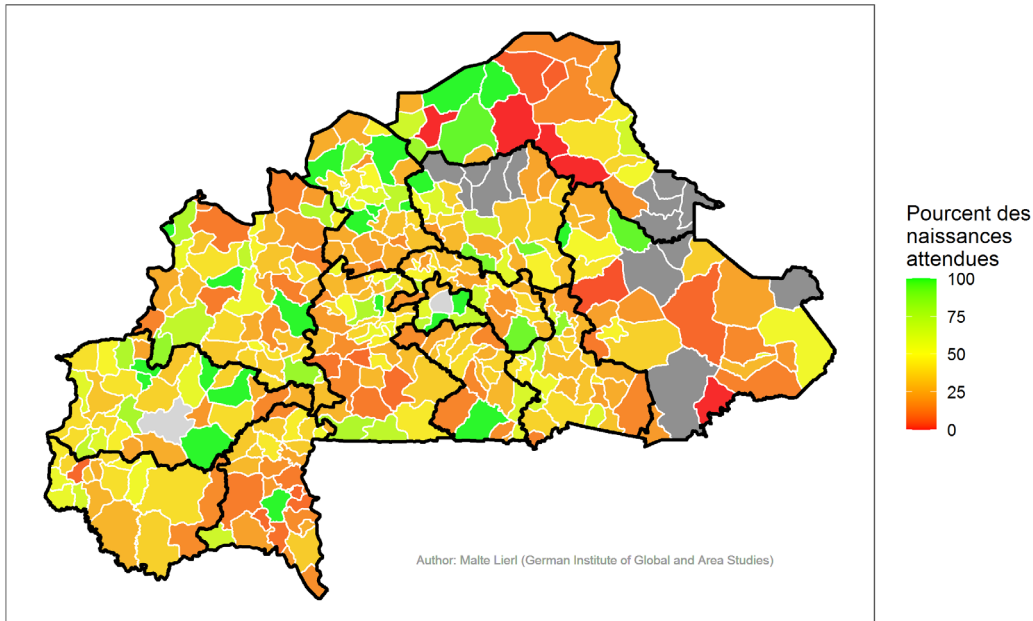
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How to Incentivize Better Local Government Performance?

Small failures in local government performance can have serious consequences for citizens' lives.

Taux d'actes de naissances délivrés (2019)



What does the research literature say?

Top-down incentives?
Don't always work...

Bottom-up citizen pressure?
Hard to sustain...

... ?

Third-Party Performance Pay (3PPP)

1

Partner with community-based organizations (CBOs)

- Existing grassroots collective action structures
- Strong local knowledge, social influence, mobilization capacity

2

Give partner CBOs a financial stake in the performance of their municipal government

- Promise a variable cash grant that is proportional to changes in municipal performance scores.
- Payoff formula:

$$\text{Payoff}_{2021} = 500,000 \text{ FCFA} + 60,000 \times (\text{Performance}_{2020} - \text{Performance}_{2018})$$

3

Communicate that the promised cash grants are not conditional on anything the CBO does!

Who Are the Partner CBOs?



Organization Types:

- ▶ 70 % associations, 15 % interest groups, 9 % cooperatives
- ▶ 31 % female-led
- ▶ 82 % public interest motivation

Average Characteristics:

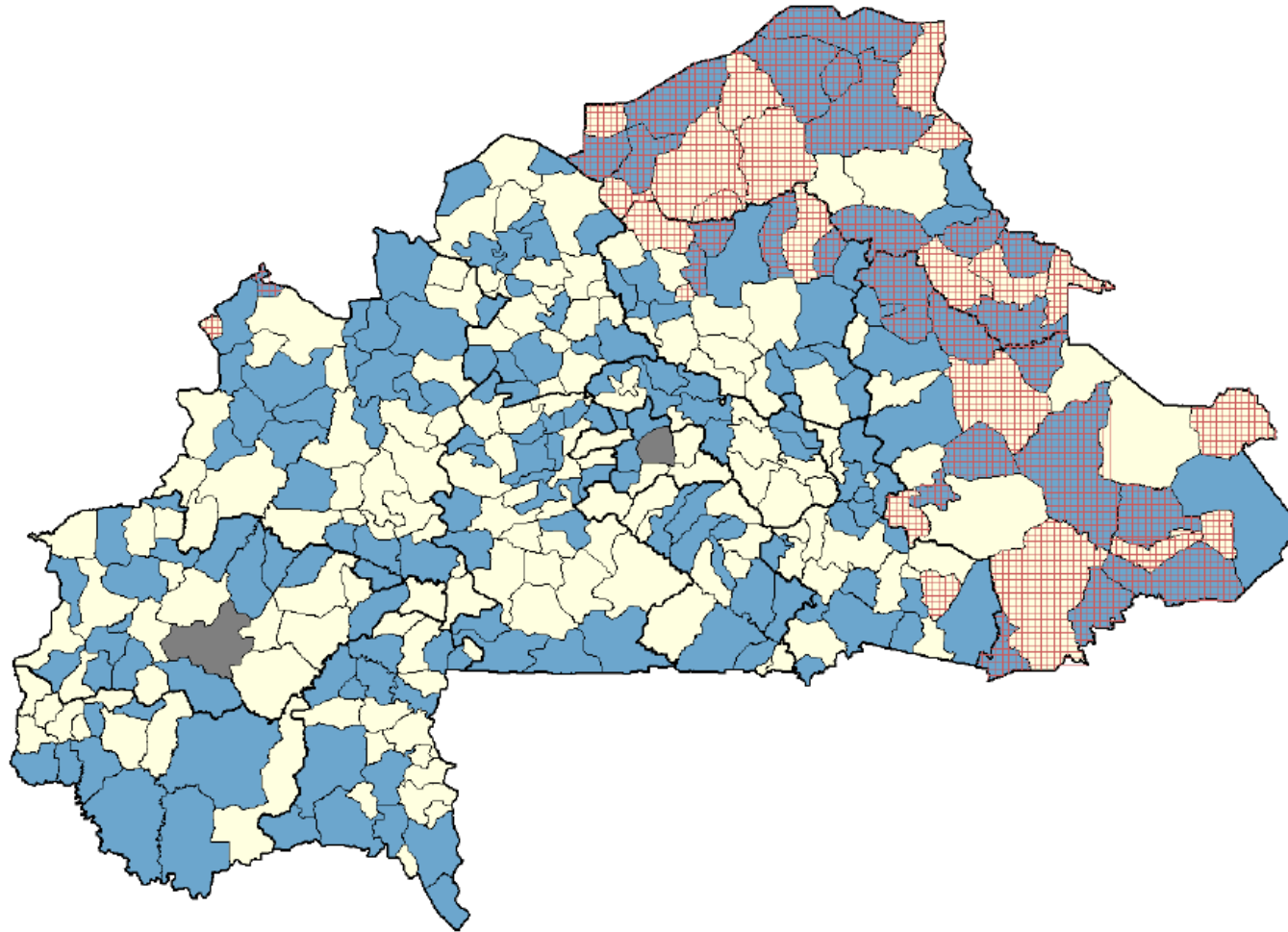
- ▶ 229 members, 11 years in existence, budget of 6.7 mn. FCFA
- ▶ 3.7 ethnic groups, 15+ villages







Sectors & Activities:

- ▶ Education, Agriculture, Health, Environment, Artisanry, ...
- ▶ Information/Sensitization, Production, Maintaining Infrastructure, Training, Self-Help & Informal Insurance, ...

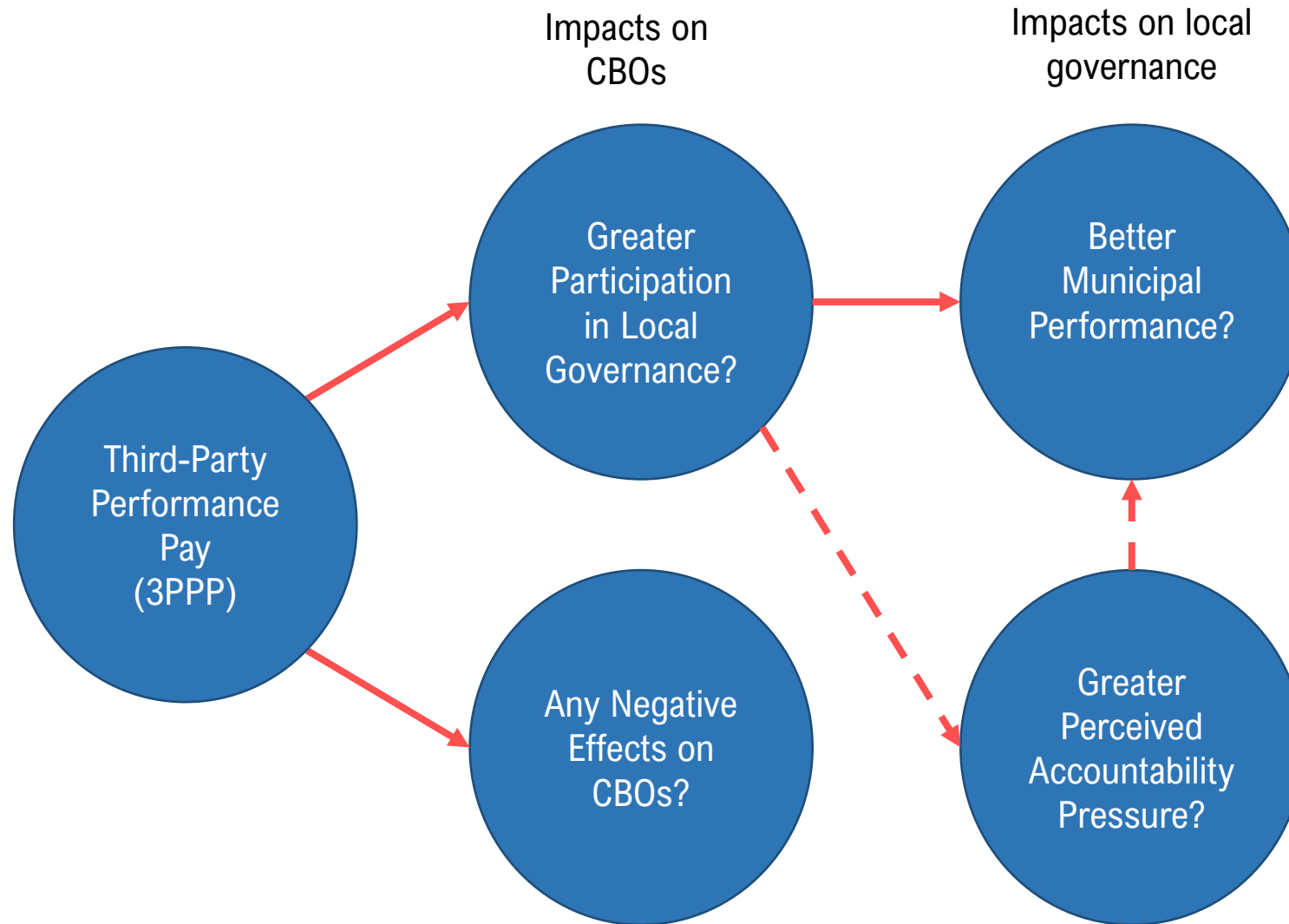
3PPP Experiment (2019-2021)



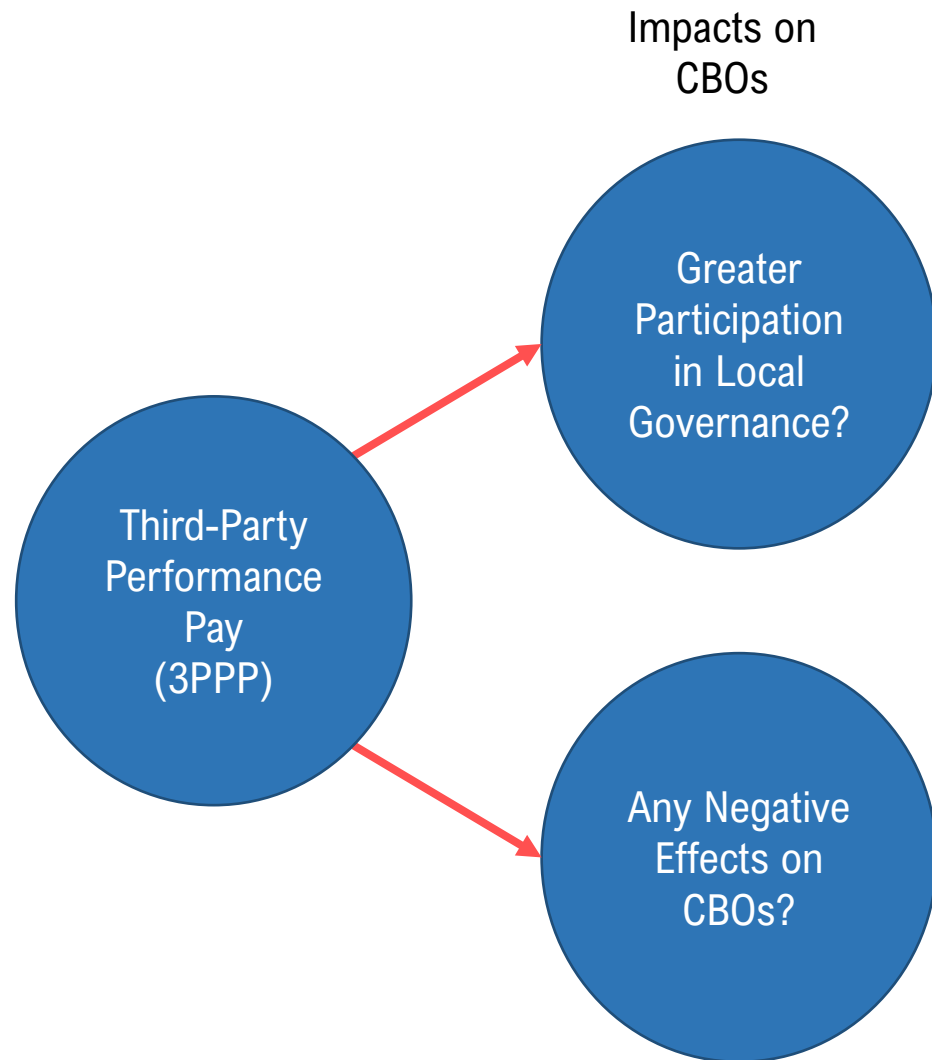
Municipalities:

-  CBO partnerships
-  Control group
-  Attrition
-  Not targeted (Ouaga & Bobo)

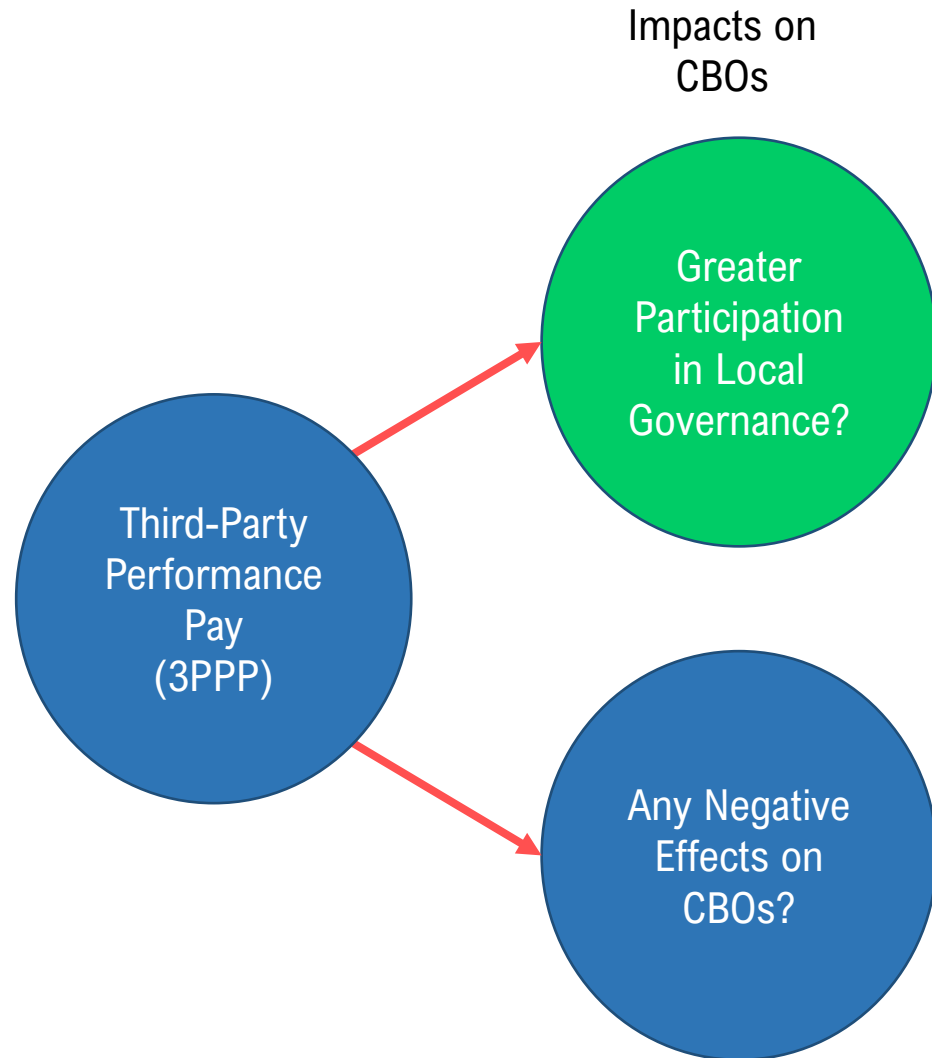
Hypotheses



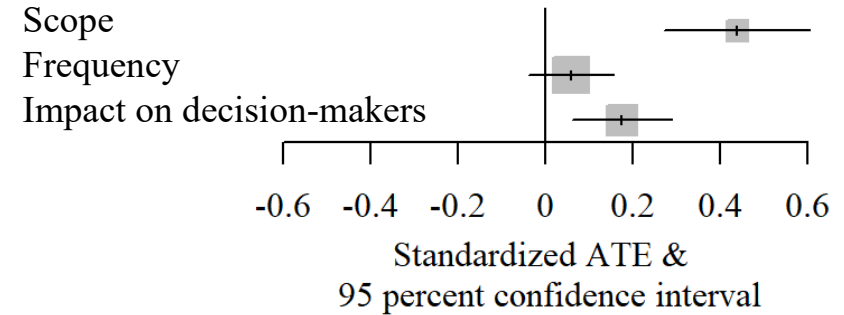
Results



Results



CBO involvement

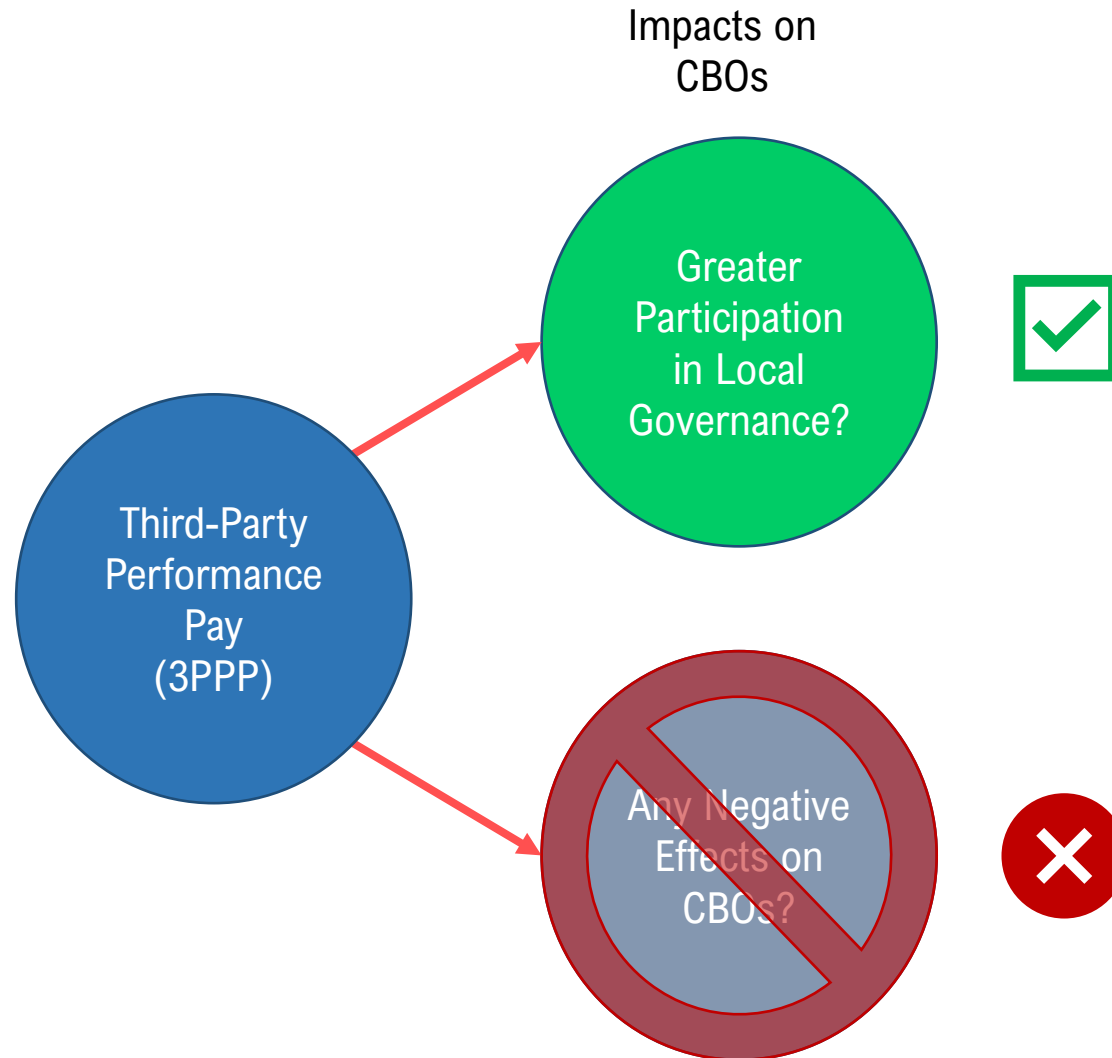


Scope of CBO involvement ↑

- Meetings with municipal authorities
- Collecting data (service availability/opinions)
- Interviewing service providers
- Presenting at village meetings
- Organizing multi-stakeholder meetings
- Organizing information campaigns

Decision-makers' familiarity & interaction with treatment CBOs ↑

Results

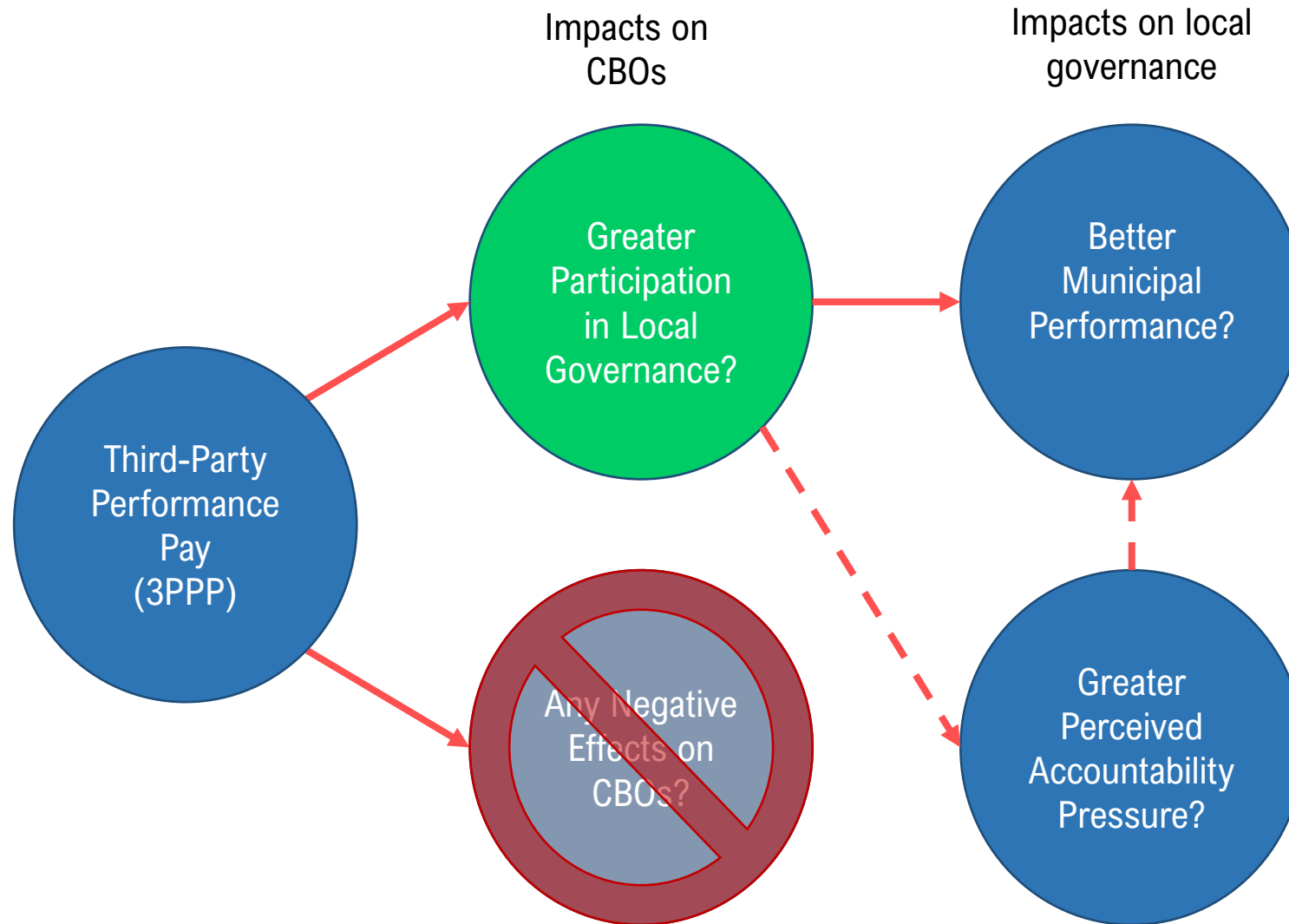


No adverse impacts on:

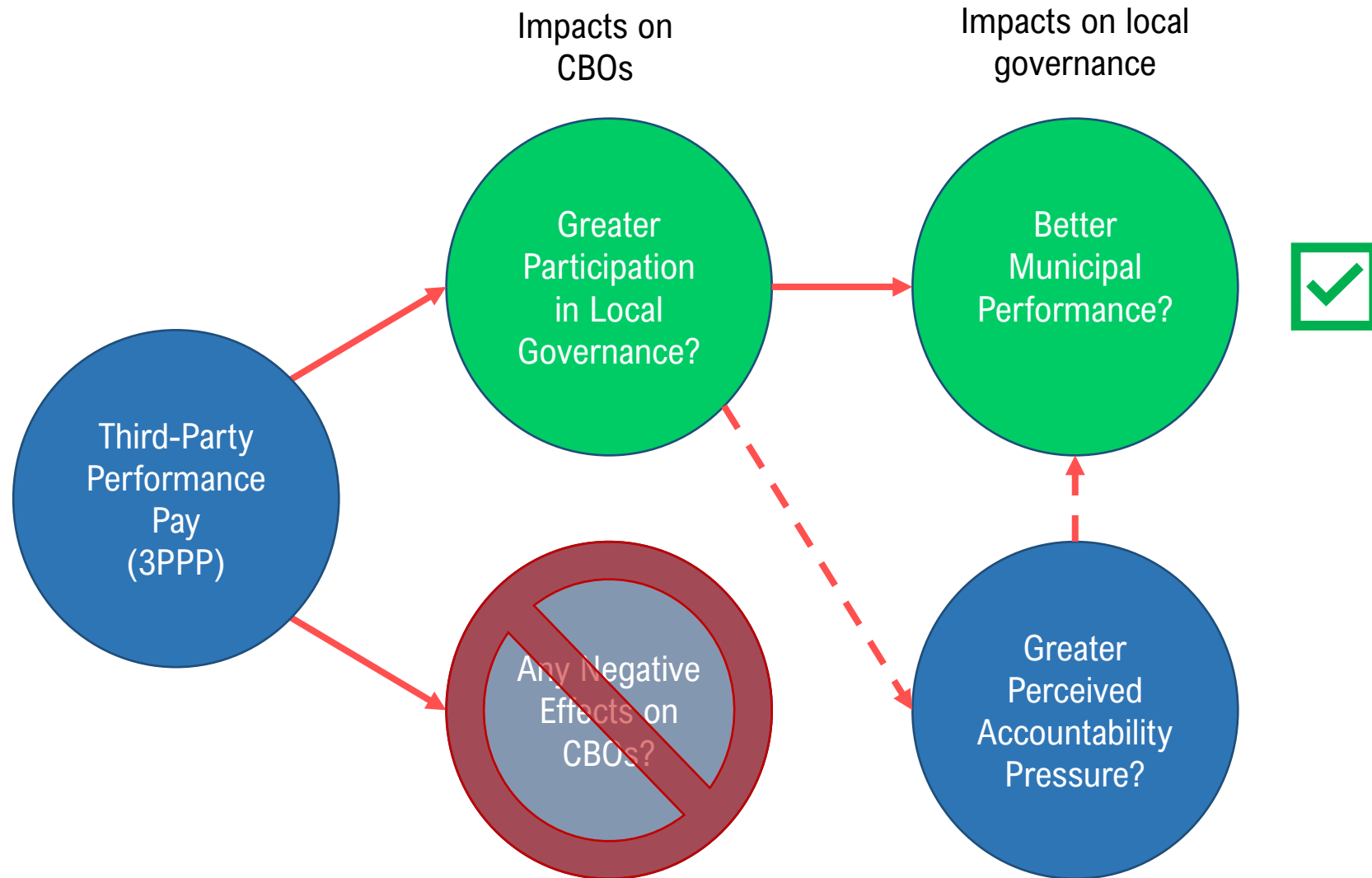
- Collective action capacity
- Organizational capacity (meetings, budget, membership)
- Internal cohesion (internal conflict, satisfaction with leadership, member enthusiasm)
- Perceived organizational capture

Unexpected positive impact on COVID-19 adaptation

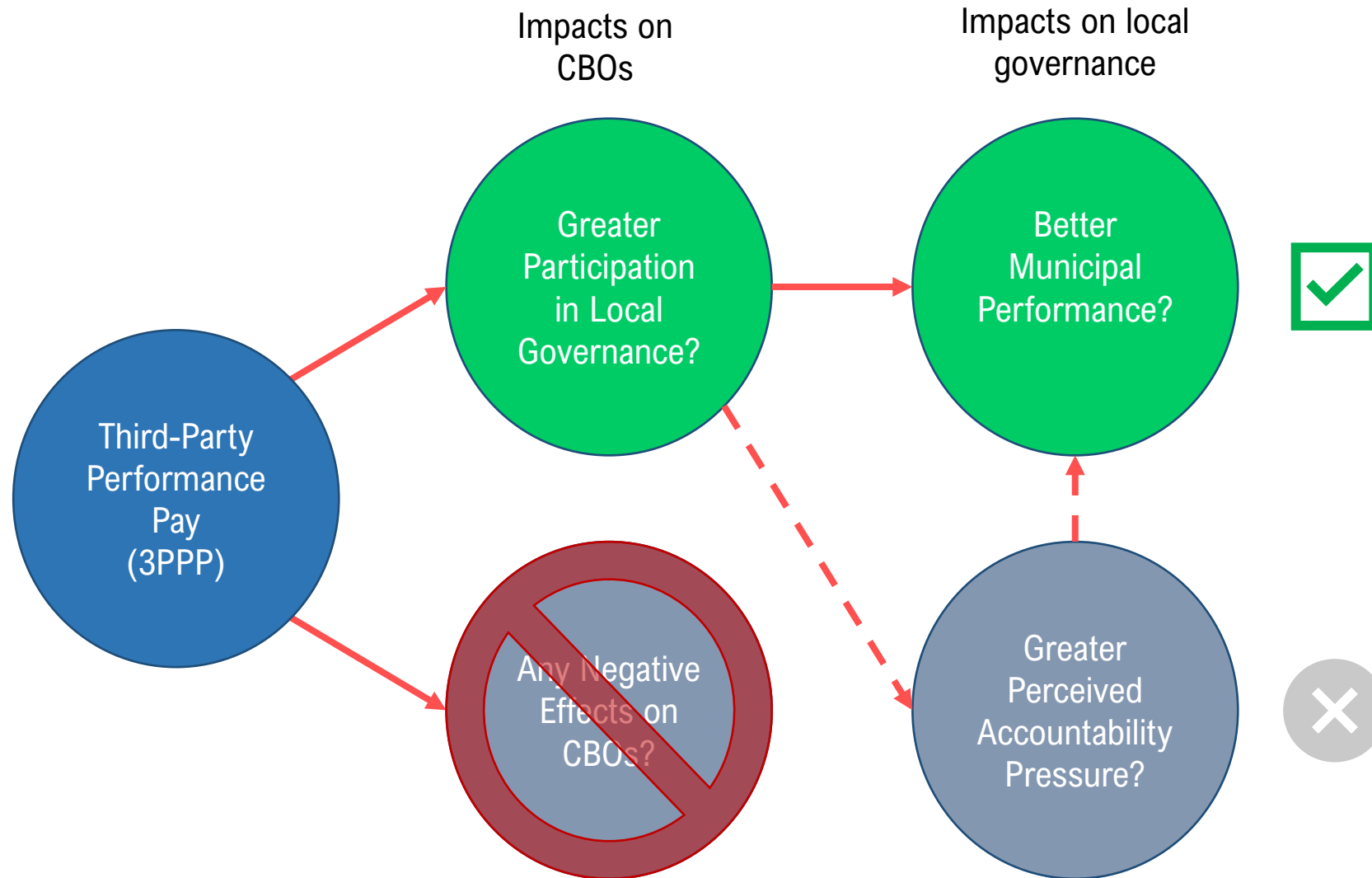
Results



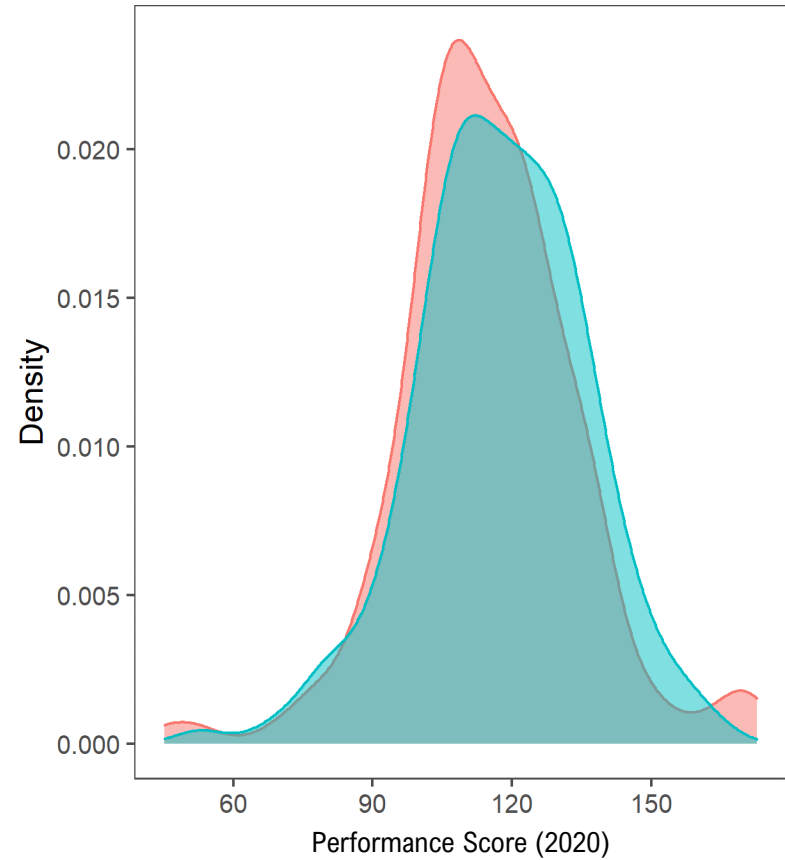
Results



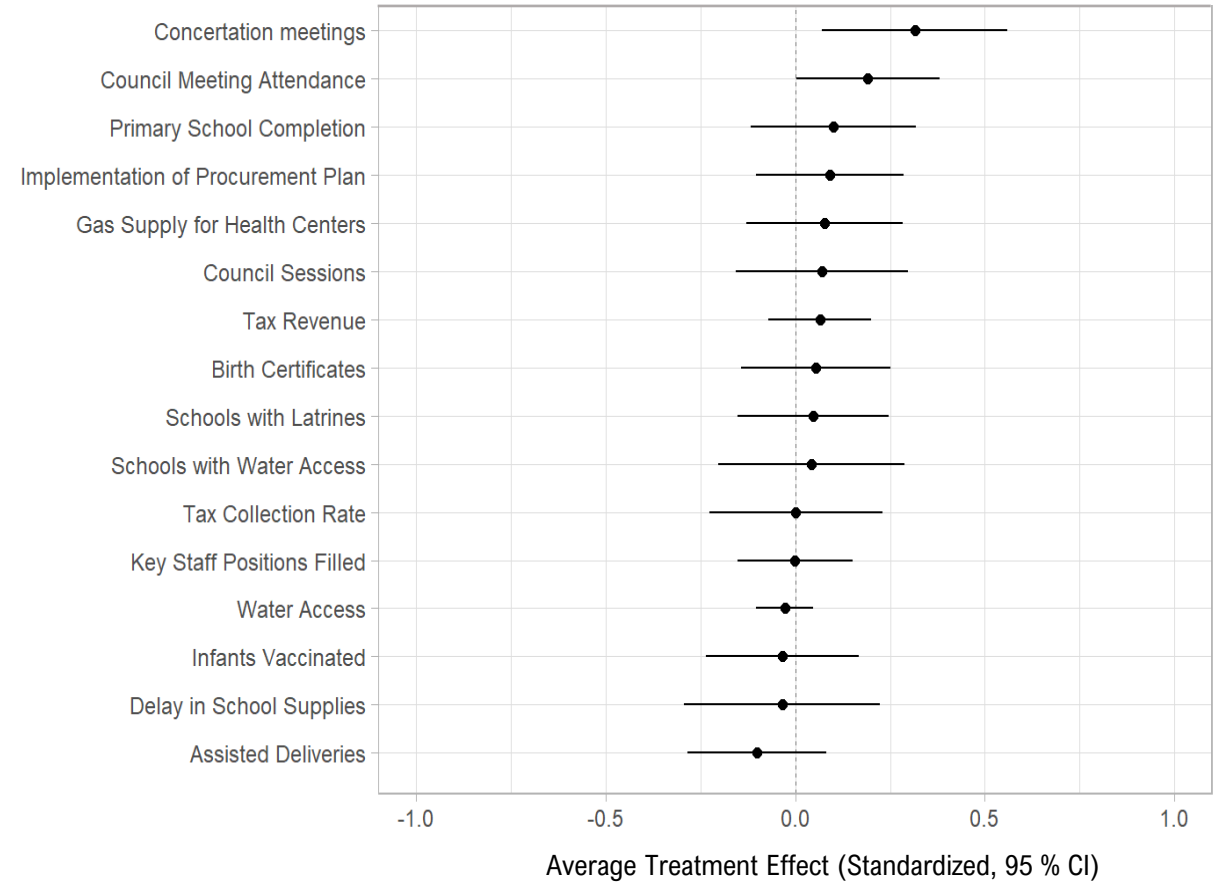
Results



Small Effects Add Up



Control Municipalities CBO Partnerships



Conclusions

- 1 Third-party performance pay (3PPP) is **effective** at:
 - Incentivizing CBOs to get more involved in municipal governance.
 - Increasing municipal government performance.
- 2 There is **no indication of adverse effects** on CBOs.
- 3 We can be very **confident** in these results:
 - Developed on a small scale, tested on a large scale under real-world conditions
 - Randomized controlled trial with highly comparable treatment and control groups
 - Research hypotheses and analytical methods were selected without prior knowledge of the results (“blind analysis”)