The Impact of the Urban Local Government Development Program on Service Delivery and Household Livelihoods: Evidence from Selected Small Towns in the Amhara Region, Ethiopia, by Abeje Ewunetu[1]

Abstract

For Ethiopia, creating jobs and fostering economic growth in urban areas are top priorities. Thus, the GoE established the ULGDP to enable cities to realize their full potential for service delivery and job creation. However, little is known about the program effect. Considering this, the purpose of this study is to determine the effect of urban local government development program on enhancing service delivery and household livelihoods. To determine the project impact, the study analyses the results between local governments involved in projects and those who are not (using the propensity score matching methodology). Consequently, the descriptive analysis shows that, with an average score of 2.5 out of 5, ULGs demonstrate fair levels of urban services in terms of efficient function allocation, local control over administration and service delivery, and local financial autonomy and management. However, they tend to lack meaningful and effective political leadership. The analysis further shows that the program, funded by ULGDP, created 1684 jobs in Program City (Motta), with a sizeable portion of women and unskilled labour. The results from econometrics analysis also find that the livelihoods asset capital index of project ULG households was found to have increased positively and significantly because of the program. The livelihood assets index mean difference between ULG households in projects and those in non-projects, based on propensity score, ranges from 11% to 19% after matching. It is, therefore, recommended that scaling up be put in place to assist non-supported ULGs.

Key words: *Effect, Urban Local Government, Service Delivery, Job Creation, Livelihood*

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Introduction

Urban local governments are legally required to provide services such as road building and maintenance, primary health care, water supply, and waste management. The process of making these services available to urban residents is known as service delivery (Marumahoko 2020). Local governments are responsible for providing sustainable services to communities, encouraging social and economic growth, and ensuring a safe and healthy environment for their citizens (Mabizela & Matsiliza, 2020). Regardless of the challenges, governments must supply these services, a requirement that is critical to improve the quality of life for all inhabitants, because the services supplied by municipalities have a direct influence on the community's living standards (Smit & Govender, 2015).

Today, 56% of the world's population, or 4.4 billion inhabitants live in cities. By 2050, this trend is predicted to double, and almost seven out of ten people will reside in cities (WB, 2023). However, urbanization brings challenges (increased demand for jobs, basic services, affordable housing, and functional infrastructure, including transportation networks) (Boex et al., 2016). Most of the urban growth occurs in developing countries, leading to the urbanization of poverty (UN-Habitat, 2003, Duflo et al., 2012). This necessitates urgent government action to regulate urbanization (Tegegne & Edlam, 2019). The literature suggests that urban local governments are the primary decision-makers and service providers (Boex and Simatupang 2015). The success of countries in achieving sustainable growth, responsive governance, and social inclusion is thus linked to their urban areas (Boex et al., 2014). However, when poorly managed and neglected, cities can become hubs of poverty, traffic congestion, and social tension.

Many common factors contribute to making cities competitive. In this regard, in Ethiopia, the ULGDP provides funds for investment in infrastructure and non-infrastructure activities (training, publications, upgrading of supplier capabilities, etc.) for participating urban local governments to enhance competitiveness of cities and trigger local economic growth. The exact role that the local government plays in achieving sustainable economic development, stronger urban public services and inclusive governance is poorly understood. The absence of consistent measures of urban performance and urban institutions has limited the ability of policy makers and researchers to understand the impact of specific urban institution and local policy decisions on urban performance.

Previous efforts have sought to capture the performance and institutions of urban areas in specific sectors or specific policy areas, such as urban economic competitiveness, urban governance, urban public fiscal management, or citizen participation (Boex *et al.,* 2014). Empirical data demonstrate that the productivity of urban economies is at least two or three times higher than that of the non-urban sector (ADB, 2020). This study supplements these existing efforts by assessing the roles that ULGDP contribute to the ability of a local government to deliver urban services and job creation in an efficient, inclusive, and responsive manner.

In Ethiopia, the urban local government institutional systems and infrastructure have not kept pace with the rapid urbanization (WB, 2018). Infrastructure is not managed efficiently, and the coverage is also low; inadequate management of municipal finances; and poor governance practices (ADB, 201, WB, 2018). Consequently, government of Ethiopia and the World Bank introduced ULGDP as urban development policy tool. The WB has been assisting the government in its efforts to strengthen capacity throughout the country's (ULGs) to enable them to meet their responsibilities effectively. This partnership has been conducted through a series of projects. The first phase of the program, from 2008 - 2014, focused on resolving the capacity and infrastructural gaps that existed in 18 ULGs. From 2014 to 2018, ULGDP II encompassed forty-four cities, most current version, the Urban Institutional and Infrastructure Development Program (UIIDP), encompasses all 117 cities. Hence, this study was focused on service delivery, livelihood improvements, and job creation to analyse the real effect of ULGDP II.

While ULGDP is widely implemented, much less is known about its effectiveness in reaching the stated goal. As a result, as the ULGDP ends, there is a lot of debate regarding whether the program's expected impact on local development will be realized. Following these, few studies (Wedajo et al., 2014, WB, 2018) are conducted but their focus was on the projects practice and challenge. Despite these efforts, a key gap remains examining the effect of urban local government development program on enhancing service delivery and household Livelihoods. Given this, there is a need to research on the issue, to evaluate the effectiveness of the project. Therefore, this study tried to bridge the empirical gap by conducting empirical research on the issue.

Literature Review

Local Government in Ethiopia

Local government is defined as: "sub part of the entire government of a nation that is managed and administered by the system subordinate to authority of state" (Gomme, 1987). Ola and Tonwe (2005) define local government as the administration of locality, a village, or town/city, a body representing the local inhabitants, have autonomy, collect revenue, and provide services to its inhabitants. In the specific case of Ethiopia, the Federal Constitution of 1994 provided for the construction and administration of urban local governments, marking a significant step forward in democratic control. Article 50(1) of the constitution authorized state governments to establish lower administrative levels and provide them sufficient authority and responsibility to allow direct citizen participation in the country's political administration.

Service Concept in Urban Local Government

Makudza (2023) defines services as specialised skills and knowledge transferred for money in economic interactions. The Organisation for Economic Cooperation and Development (OECD)

divides services into three categories: private, public, and communal or joint. According to Wollmann (2016), public services include water delivery, sewage treatment, waste management, public transportation, and electricity provision. Urban local governments levy rates, commonly known as property taxes, on commercial and industrial buildings, medium and low-density residential properties, and supplemental levies on high-density residential dwellings (Poperwi, 2018). It should be highlighted, however, that in the case of public services, urban local governments' service delivery is not motivated by profit, yet this does not mean that local governments should operate at a loss (Poperwi, 2018). They can generate surplus revenue, but their primary duty is to provide services to residents on a cost-recovery basis (Poperwi, 2018).

Service Delivery Concept in Urban Local Government

Service delivery is the extent to which the services delivered by the mentioned sectors meet or surpass the expectations of the public (Makudza, 2022; Shittu, 2020). According to Avis (2016), providing enough, inexpensive, and high-quality basic services is a key duty of metropolitan governments. The provision of services such as water, sanitation, waste management, and housing are strongly linked to urban people' health and well-being (Avis, 2016). In this study, service delivery refers to municipal services provided by urban local governments.

Basic Urban Services

Water and Sanitation: Water and sanitation are seen as some of the most vital services that should be given to urban residents. Effective provision of these services has main health advantages and helps to avoid disease transmission. A large amount of literature demonstrates the role of institutions and governance in the efficient delivery of these services. Political economic considerations, institutional elements, and governance problems are all prominent causes of inadequate service delivery, which disproportionately affects the poorest people (World Bank 2012). It is well acknowledged that successful water and sanitation rely on strong institutions and excellent administration, so that all people, even the poorest, obtain water efficiently and can use it to meet their requirements (Hardoy et al., 2005).

Solid Waste Management : One of the most important urban services is solid waste management. Solid waste is becoming an increasingly critical issue in developing nations due to fast urban expansion and increased consumption; the detrimental health and environmental repercussions, which are often, felt the most by the poorest residents of a city, making it an essential matter to address. Most developing nations' metropolitan areas has significant challenges in rubbish collection, sorting, processing, recycling, and final disposal. According to the current evidence, the coverage and efficiency of SWM services vary significantly among metropolitan regions in developing countries (World Bank, 2012).

Transport : In urban areas, transportation services include public transportation, traffic management, and non-motorized mobility options. These services have the potential to contribute to developmental outcomes in several ways: the reduction of congestion and travel times can in turn reduce transaction and connectivity costs, thus spurring growth; urban mobility through affordable transport can lead to economic mobility by enabling poorer segments of the population to access opportunities; safety can be improved through better traffic management; and both health and environmental benefits can planning for reduced motorised transport (Sietchiping et al., 2012; Mitric, 2013).

Service Delivery Theories in Urban Local Governments
Efficiency Theory

The advocates of efficiency services believe that the crux of this theory is that the main purpose of local government is to provide services to the local people (Majekodunmi, 2012). It also allows for flexibility in decision-making and implementation. In addition, the theory stipulates that local government exist to articulate and aggregate the interests and aspirations of the people for better and more efficient services (Khalil & Adelabu, 2012). The theory further argues that since the officials of the local government councils have the necessary knowledge of the areas, they are in a better position to understand the needs of the people and provide efficient services for their welfare (Majekodunmi, 2012). The proximity of the local government to the grassroots makes it especially suited to provide certain functions far more efficiently and in a more cost-effective manner than the much more remote government at the higher level (Majekodunmi, 2012).

Such functions should be allocated to the local governments with powers, resources, and the necessary autonomy to handle them. This then is not a mere decentralization of central governmental authority, for if it is, it will require a degree of routine supervision by the central or state government that will not be conducive and efficient service delivery (Khalil & Adelabu, 2012). According to the efficiency theory, local government has the mandate to provide efficient services to the residents.

Urbanization, Urban Local Services, and the Role of Urban Local Governments

The patterns of urbanization and characteristics of urban centres hold the potential to enable effective service provision or serve as impediments to service delivery effectiveness. One such characteristic is high population density, which indicates that demand for public services is spatially concentrated. High population density can enable effective local service provision by reducing transportation costs and allowing savings from scale economies (Glaeser 2011). However, too much density as in the case of overpopulated and poorly located informal settlements presents congestion and related service delivery challenges.

These interrelated factors can multiply the externalities associated with urban services, heighten political aspects of service delivery, and create intensified opportunities for rent-seeking of various kinds (Jones, Cummings, and Nixon 2014). Urban areas are complex environments with rapidly growing populations that are heterogeneous in terms of identity groups and income levels.

For many African and some Asian countries, urban employment is concentrated in the low-income, informal sector, resulting in fewer urban residents that could constitute a viable tax base to fund urban service provision (Resnick, 2014). This often segregates the population both physically and in terms of their ability to pay for services that are considered by some to be basic needs. This leads to a diversity of providers, formal and informal, that serve the needs of varied income groups within cities. This situation can compensate for suboptimal public services by providing choice, but the presence of many different service providers creates a challenge for policy coherence as well as oversight and monitoring.

Little is known about the specific impact of local governance on urban service delivery outcomes. There are also services with characteristics that might dictate the type of institutional arrangements, such as the water sector, which is highly monopolistic in nature partly because of the high degree of sunk costs and potential for economies of scale. Such a sector might require a higher degree of centralization for aspects such as regulating water quality, while other aspects such as transport and delivery might be more localized.

Materials and Methods

Study Design

To effectively and properly respond to the research questions, this study was employed a mixed research approach involving descriptive and explanatory research designs. An explanatory research design was employed to study the effect of ULGDP (intervention variable) on the

various outcome variables such as livelihood assets and service delivery by establishing cause-effect relationships between these variables.

Data Source and Type

Both quantitative and qualitative types of data were collected from primary and secondary sources. The primary data was collected from households and urban local government experts through interview and questionnaire. Secondary data was collected through reviewing pertinent literature from various source including journal articles, books, government reports and documents, and other relevant materials.

Sample Size and Selection Technique

The study was done in two urban local governments (Mota (supported by ULGDP) and Bichena city administration) in the Amhara region. A total of 718 sample households were selected from the two ULG 's. the sample size was determined by using the formula proposed by (Krejcie & Morgan, 1970):

$$n = \frac{X^2 NP(1-P)}{d^2(N-1) + X^2 P(1-P)}$$

Where, n= the sample size,

X^2= significance level (usually 1.96 for 95% confidence level),

N is population size,

P is a proportion of impacted population (expressed as decimal), and

d is degree of accuracy or margin of error (5%).

According to CSA 2013 estimation, there are 53,739 households in the selected ULGs (33,500 in ULGDP supported and 20,739 in non-supported ULG). Hence the proportion of affected households will be 33,500 /53,739 =0.62 (62%).

$$n\ (treatment) = \frac{(1,96)^2(53,739)(0.62)(1-0.62)}{(0.05)^2(53,739-1)+(1.96)^2(0.62)(1-0.62)} = 359$$

Therefore, 359 households from Mota will be randomly selected as treatment households for survey. The same way ULG that doesn't have the program, the sample size proportion will be 20 739/53,739= 0.38 (38%).

$$n\ (control) = \frac{(1,96)^2(53,739)(0.38)(1-0.38)}{(0.05)^2(53,739-1)+(1.96)^2(0.38)(1-0.38)} = 359$$

Therefore, 359 households from Bichena will be randomly selected as control households for survey. Households exposed to or affected by the program and having similar basic observable characteristics (treatment group) to the unexposed/unaffected ones (comparison) but differ only in an intervention will be matched by using PSM model. Hence, the total number of participants (total sample size) for this study is 718.

Two urban local governments are selected based on being the program beneficiary (as treatment group) and by having similar basic observable characteristics to the exposed/affected ones (comparison). I stratified ULGD into affected (have ULGDP program) and non-affected (those did not have the program).

Method of Data Analysis

For this study both quantitative and qualitative methods were employed to undertake the process of data analysis. In analysing the quantitative data, the researcher was used both inferential and descriptive statistical tools. Propensity Score matching model were employed to determine the relationship that existed between dependent and independent variables.

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Outcome variables (Impact indicator variables)

Outcome variables are variables which resulted from access to ULGDP. A livelihoods asset capital index of households was used as an outcome variable to measure livelihood assets status of households. These standardized indexes were thus used as outcome variables in the PSM model.

Impact indicators: the impact/ livelihood indicators used in this study were: Household livelihoods Assets index (financial, physical, human and social capital): Households were asked detailed questions about current ownership different productive assets, schooling enrolment of families in the households, monthly income and saving, and participation in formal and informal group.

This impact indicator was assumed that ULGDP improve household 's livelihood asset capital.

Ethical consideration

The study followed all ethical standards for carrying out research.

Results

Descriptive Analysis

Descriptive statistics of different variables used in the analysis measured in terms of some demographic and other wealth indicators. The average household size and age of the household head of the total sample were 1.8 and 18-30 years respectively. 373 (52 percent) of the survey households was male headed and the remaining 47.98% was female headed.

Here are some differences between project participant and non-participant households (ULGDP). Overall, demographic characteristics suggest that households in project areas are better than those in non-project LGAs.

Table 1: Summary of Variables Used in the Impact Analysis

ULGDP = non-project ULG

Variable	Obs	Mean	Std. Dev.
Family size	361	2.049861	.9084551
Sex	361	.0465374	.4994919
Education	361	2.966759	.9273635
Average monthly income	361	3362.604	1571.65
Average monthly saving	361	185.7064	298.0093

ULGDP = project ULG

Variable	Obs	Mean	Std. Dev.
Family size	356	1.676966	.8321889
Sex	356	.5758427	.49491
Average monthly income	356	6442.978	1892.664
Average monthly saving	356	749.5067	799.5067

Source: survey 2023

Not only are demographic characteristics very different between project and comparison areas, but responses on income is also consistently better in project areas. This is confirmed by answers regarding their monthly income. About monthly saving, on average, project area households save 749 birds. And those households in non-project LGAs on average save 185 birrs.

The Effect of ULGDP on Service Delivery Improvement

Chart1 below shows descriptive statistics for the urban service delivery assessment scores of both cities and for all four urban services (SWM, water, road and sanitation) combined. As shown in the chart, the average assessment score across all services and cities is 11.75 out of twenty-five points (or slightly less than half the total possible points).

For instance, if the city is unable to set appropriate tariff levels for water service provision, or if it is unable to authorize the firing of underperforming staff, the quality of urban service will almost inevitably depend entirely on the decisions and actions of higher-level officials.

The most obvious finding of the study is that urban local governments exhibit relatively good levels of urban services in terms of effective allocation of functions, local control over administration and service delivery, local financial autonomy, and local financial management (average score of 2.5 out of 5). But they tend to lack meaningful and effective political leadership. For example, most cities do not have a publicly and formally disclosed performance framework and seldom apply it in practice.

Chart 1: Urban Service Delivery Scores across all urban services
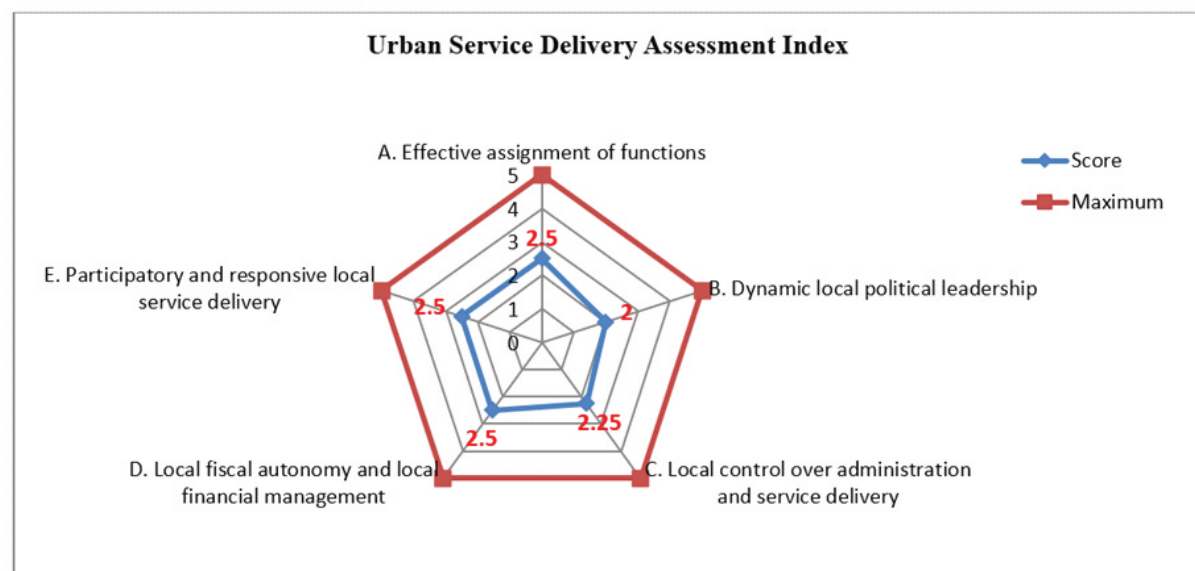
Source: survey 2023

The next sub-section considers how institutional dimension scores vary across the four different urban services considered by this study, While SWM, water, sanitation and road all are all basic urban services with a direct and positive impacts on the welfare and productivity of urban residents. There are fundamental conceptual and practical differences between the ways in which their delivery is organized within cities.

When we compare the effectiveness of urban service delivery institutions across all urban services being considered, the researcher finds that water gets significantly higher scores, followed by Road, SWM and Sanitation. This implies that cities are generally more empowered for the provision of water services.

In terms of institutional dimensions, water service 's high average score are largely driven by local control over administration and service delivery followed by close averages for fiscal and

administrative institutions. This implies that water is widely accepted as a quant essential locally provided service. This is because there is often a strong push to provide drinking water below cost for equity reasons, and access to drinking water is generally considered an essential human right.

Although local governments typically have a reasonable degree of autonomy in managing urban services, regional officials still tend to exert a relatively high degree of control over the urban local government's administrative and fiscal resources, thus constraining the ability to deliver better service.

*Chart 2: Urban Service Delivery Performance: Score by Urban Service*
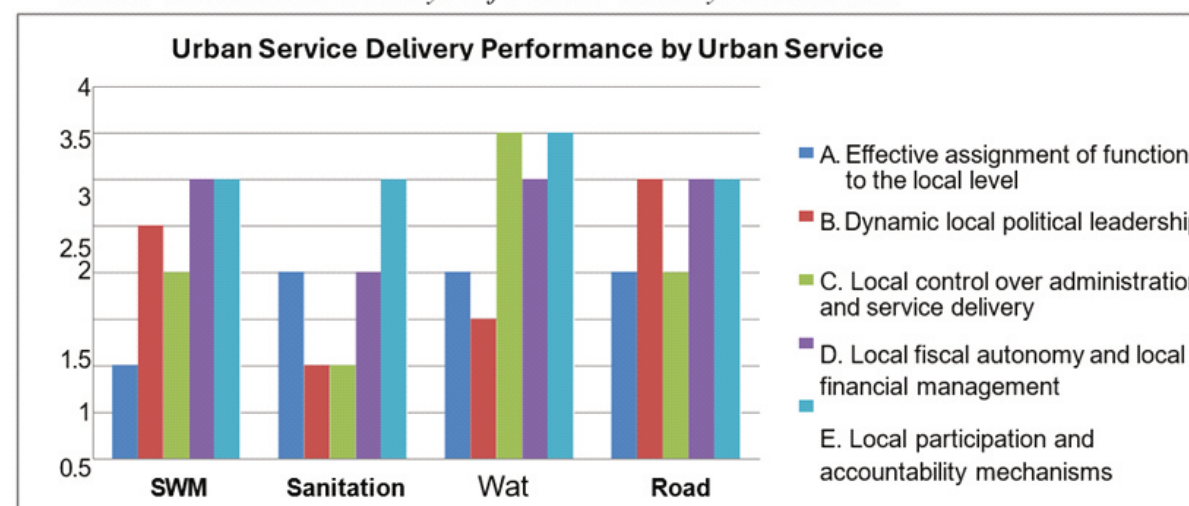
Source: survey 2023

Another element that undermines urban local service delivery is the relative ineffectiveness of effective assignment of functions to the local level and local political leadership. The scoring of these indicators across the city sample provided the lowest average of 1.75 and 2 respectively.

In chart 3, we observe interesting ULG level variations in the five dimensions of urban service delivery institutions, as measured across all urban services. As shown in the chart, improved local service delivery is often an accompanying positive externality from having empowered local governments. Project (Motta) ULG score high on different performance indicators, which is reflective of the powers and control given to local governments in city. This happens maybe because of the capacity building effort by ULGDP.

Chart 3: Urban Service Delivery Performance: Score by Urban Local Government
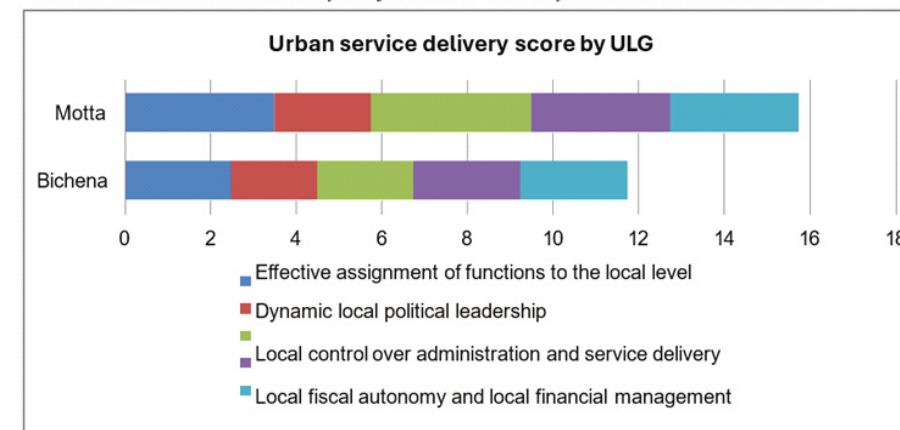
Source: survey, 2023

In the focus group discussion, officials in project ULGs recognize the project as the main source of capacity training and budget support for infrastructure. Interviewees in project areas report the project as the most supporting agency for capacity building while in comparison ULGs the main agencies reported as supporting capacity building are regional and zonal sectors and community-based organizations.

The Contribution of ULGDP on Job Creation

The results suggest that urban infrastructure sub-projects have great potential to act as centers of economic benefit for the unemployed. The study shows that significant full and temporary jobs were created by the program: A total of 1684 jobs have been created in Program city (Motta) because of the investments initiated and funded by ULGDP, especially for the local youth and unskilled workers. It should be underlined that most infrastructure investments have a large share of women, youth and un- skilled labor, involved in project implementation as well. Permanent jobs are the number of people in the cooperatives that were contracted for the construction, while temporary jobs are the number of daily laborers (for example, jobs created at the quarry sites that supply stones for cobblestone road work). The study revealed that registered unemployed persons, particularly vulnerable groups like women, and the disabled, were grouped into cooperatives at the Kebele level, and provided with free technical and business training, and offered cobbled street contracts.

Table 2: Jobs Created Through ULGDPII

Item	Number
No. of people employed through works under ULGDP II	157
Temporary jobs created under ULGDP supported infrastructure works.	1523
Total	1684

Source: survey, 2023

Focus group discussion also confirmed this idea that the program helps them to improve their livelihood. The income generated by the cobblestone work and support from the MSE office has enabled many workers to become sustainably self-employed after the completion of the cobblestone work. Examples of these new livelihoods include brick making, welding, retail, urban farming, and bajaj (three-wheeled vehicles).

Econometrics Analysis

To see the impact, the researcher used Propensity Score Matching (PSM). To estimate the causal effect of the project on areas that received it, I used areas that did not receive the program as counterfactuals. Since the project was not randomly assigned to ULGs, I selected comparison ULGs that were likely to be like the ones receiving the program across a range of observable indicators. Under the assumption that these areas are valid counterfactuals (i.e., they would have followed similar trajectories in the absence of the program), assessing whether the project influenced the outcomes of interest is equivalent to examining whether areas that received the program had a differential change in outcomes, when compared to the comparison areas. The dependent variable in the impact assessment analysis takes the value of 1 if a household lives in project (ULGDP) ULG and 0 otherwise. For estimation results of the propensity score matching, logit model, logistic regression was used. The common support option has been selected and the balancing property is satisfied.

The Effects of ULGDP on the Households' Livelihood

This section presents and discusses the estimation results of matching estimators of household livelihood assets and all estimations are bootstrapped standard errors. The researcher used ATT and t- value columns to evaluate the impact indicators.

Four matching methods, radius matching, the nearest neighbor and Kernel matching methods

were used to estimate the impact. Comparing results across different matching methods can reveal whether the estimated project effect is robust (Khandker et al., 2010).

It was hypothesized that ULGDP improve household wellbeing and asset ownership. By and large, these results do support the hypothesis that urban local government development program increase household 's physical capital index in areas that receive the program. ATT based on all matching estimators were positive and significant (at 1% level of significance). Considering the significant estimators, the mean difference in physical asset ownership index between households in project ULG and non-project ULG households 's ranges from 11 to 19%. This result is a clear indication that households in the program are benefiting thereby improving their livelihood asset ownership.

Table 3: Impact Of ULGDP on Household Livelihood: PSM Results

Indicator	Matching Method	Treatment	Control	ATT	Standard error	T-test
Phy-Cap Index	SS matching	325	202	0.192	0.019	9.936***
	NN matching	356	126	0.16	0.05	3.154***
	Kernel matching	356	178	0.113	0.020	5.720***
	Radius matching	356	178	0.180	0.013	14.006***
Soc-Cap Index	SS matching	325	202	0.196	0.038	5.175***
	NN matching	356	126	0.095	0.101	0.943
	Kernel matching	356	178	0.164	0.077	2.130**
	Radius matching	356	178	0.187	0.029	6.397***
Fin-Cap Index	SS matching	325	202	0.180	0.022	8.369***
	Radius matching	356	178	0.114	0.032	3.516***
Hum-cap Index	SS matching	325	202	0.080	0.014	5.722***
	NN matching	356	126	0.024	0.029	0.833
	Kernel matching	356	178	0.032	0.051	0.617
	Radius matching	356	178	0.047	0.014	3.316***

Source: Own computation based on survey 2023

* Significant at 10% level; ** =significant at 5% level; ***= significant at 1% level

The hypothesis for financial capital stated that the program has a positive impact on the amount of household income. As expected, the researcher found that the mean difference in social capital index between households in project ULG and non-project ULG households ranges from 11 to 18%. This effect was statistically significant at 1% significance level.

It was also hypothesized that the program has positive impact on social capital. The result also showed the existence of positive impact between social capital and the program. Considering the significant estimators, the mean difference in social capital index between households in project ULG and non-project ULG households ranges from 16 to 19%.

Discussion

The research looked at how the Urban Local Government Development Program improved service delivery and household livelihoods. This section examines the effect of ULGDP on improving service delivery in urban local governments using data collected from the study area.

The research examines two cities, each collecting institutional data on four municipal services across five institutional aspects of service delivery. Given the scores of the various variables, the results show that on average, cities in the sample have little control over the delivery of urban services within their jurisdiction. Regardless of whether legislative frameworks need a decentralized style of governance, cities have limited political, administrative, and financial autonomy.

For example, in the study area, mayors have executive authority to provide services, even though they were appointed and cannot be held accountable. As a result, the quality of urban service will virtually always be determined by higher-level officials' decisions and actions rather than those of local government leaders. About the impact of local governance in urban service delivery outcomes, much of the urban literature assumes that urban local governments are the key decision makers and key service delivery providers in their jurisdictions. For instance, it is often assumed that the presence of a dynamic mayor is a key ingredient in effective urban services and the wider success of an urban area (Barber, 2013).

This finding is consistent with previous studies (Avis, 2016; Vilfan et al., 2018). The findings show that in many developing nations, service delivery is hampered by issues of coordination, governance, funding, and ability, which are exacerbated by the rate and extent of urbanization (Avis, 2016). Governments at all levels have critical responsibilities in service delivery, including regulation, facilitation, and collaboration with other stakeholders and institutions (Vilfan et al., 2018).

Furthermore, while water and sanitation services are often provided concurrently, the sanitation sector appears to have substantially weaker administrative autonomy and far fewer functional assignments than the water service. The magnitude of these dimension scores shows that the institutional arrangements governing service provision are likely to have a major restrictive influence on the function of urban local governments in providing successful urban services. According to studies, governance concerns are extremely important in the implementation of SWM. Some argue that the efficacy of SWM may be used as a proxy for the quality of governance in urban areas (Whiteman et al., 2001). Nkomo, (2017) has also found similar findings. This article explores how Poor service delivery has been a significant issue in many municipalities due to inadequate knowledge and politics.

Most African countries exhibit comparable trends. There is growing evidence suggesting that urban local governments in many developing economies are quite constrained in their ability to manage or deliver urban local services by multilevel governance arrangements (Boex and Simatupang 2015). According to the analysis made by Masuku & Jili (2019), regional governments establish policy frameworks and allocate resources to local governments for implementation. But the primary responsibility for providing basic services is typically held by the city or municipal government, even if service delivery is outsourced to the private sector or non-governmental organizations (Avis, 2016).

The study examined households in ULGs with and without ULGDP programs with respect to five dimensions of urban service delivery institutions. The study reveals that urban service delivery performance scores vary in five areas of urban service delivery as measured across all urban services. Project (Motta) ULG performs well on many performance indicators, showing the city's delegated authority and control. This might be attributed to the ULGDP's capacity-building activities.

Interestingly, the result is also consistent with empirical studies elsewhere. For example, Mangai (2017) supports the establishment of regulatory entities at lower levels of government, with the primary goal of improving capabilities. Mangai (2017) further emphasizes the necessity of defining roles and duties for institutions in charge of regulatory policy, as well as enhancing institutional capacities for regulatory quality, resources, training, and capacity development.

The study also reveals that in terms of employment creation, ULGDP II-funded sub-projects targeted at constructing cobblestone streets (and, to a lesser extent, drainage, and urban greening) provide income prospects for jobless youngsters. At the national level, the initiative has generated around 160,000 employments every year through labour-intensive activities like building cobblestone roads.

The study demonstrates that the programme generated considerable full-time and temporary jobs. ULGDP-initiated and sponsored initiatives have resulted in the creation of 1684 employment in Program City (Motta), mostly for local youth and unskilled workers. According to the analysis made by Rogerson (2006) applied development initiatives in local government resulted in adjustments to targeted poverty alleviation, education, and job creation programs that focused on crafts, weaving, and brick brickmaking. Moreover, Kgalema and Mankolo (2018) found that in order for local governments to accelerate job creation, reduce poverty, provide effective service delivery, and improve the quality of life for their residents, the local government development strategy must be well formulated and effectively implemented, and they must play an active role in this process.

Lastly, the study investigated the effect of ULGDP on the livelihood improvement of residents. Matching econometrics modelling approach was used to analyse data. In this regard, the results demonstrate that, urban local government development program improve household wellbeing and asset ownership.

The result from econometrics analysis revealed that households in the program are benefiting thereby improving their livelihood asset ownership. Furthermore, the result also showed the existence of positive impact between financial and social capital and the program. All the matching estimators show that the mean differences in household social and financial capital between program and non-program households were statistically significant at 5% and 1% level of significance. In this regard, the World Bank reported that local government development initiatives provide people's basic requirements such as water, power, education, and health care in disadvantaged areas (World Bank, 2013).

Conclusion and Recommendation

The objective of the study was to identify the effect of urban local government development programs on enhancing service delivery and job creation. From the analysis of the data, the following conclusions were identified.

The key finding of this study is that although there are variations between the two urban local governments depending on service, the average score on the urban service delivery institutional dimensions is low. Regional governments often assign service delivery responsibilities to urban local governments, but their reluctance to transfer authority and lack of local participation negatively impact service delivery. It appears that Political economy forces, rather than technical capacity, are more significant in determining institutional empowerment and effective provision of urban services. On the effect of ULGDP on enhancing service delivery and job creation, the study shows that significant full and temporary jobs were created by the program.

In addition, the study investigated the effect of ULGDP on enhancing households' livelihood. In this regard, the results demonstrate that the program positively and significantly improved the livelihood of project ULG households as measured by the livelihoods asset capital index. After matching, the mean difference in livelihood assets index between project and non-project households, based on their propensity score, range from 11% to 19%. The positive and significant impact of the ULGDP on livelihood asset capital is an inspiring indication of the importance of the program towards improving the livelihood of the poor.

Generally, the finding in this study reveals that ULGDP is an important tool to increase urban household 's livelihood effort and development process in urban areas. Therefore, assessment of the counterfactual scenario where the Program is not introduced, and the potential economic impact of the Program show strong rationale for the proposed intervention.

It is, therefore, recommended that scaling up be put in place to assist non-supported ULGs. In terms of policy implications, it is useful to recognize that the greatest progress needs to be made in the assignment of functional responsibilities to local governments.

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