

Urban Governance Index

Methodology Guidelines

This document is an **addendum** to the “*Conceptual Foundation and Field Test Report*” on the Urban Governance Index (August 2004). It is designed as a reference guide to the two alternative sets of indicators proposed in the final report. It provides the description of 25 indicators short-listed, which also include the 18 core set of indicators. The indicators are grouped in sub-indices covering the core urban governance principles of Effectiveness, Equity, Participation and Accountability. The following format is followed for explaining the indicators:

Indicator:	Indicators number and title
Principle(s):	States the core principle(s) of Good Urban Governance monitored by the indicator.
Definition:	The technical definition of the indicator
Methodology:	Describes the methodology for obtaining and collection of data as well as for the calculation of results
Reference:	The source from which the indicator was obtained



UN-HABITAT



**Global Campaign on Urban Governance
Global Urban Observatory**

United Nations Human Settlements Programme (UN-HABITAT)

P.O. Box 30030, 00100 Nairobi, Kenya

Tel: +254-20-623216

Fax: +254-20-624266/623536

Email: governance@unhabitat.org

Website: <http://www.unhabitat.org/governance>

A. Effectiveness

Indicator 1:	Local government revenue per capita (core set, no.1)
Principle(s):	Effectiveness; Accountability
Definition:	The total local government revenue (income annually collected, both capital and recurrent for the metropolitan area, in US dollars) per capita (3 year average)
Methodology:	<p>The indicator is measured by identifying the following data:</p> <ul style="list-style-type: none"> • Total local government revenue (R): This includes the income annually collected, both capital and recurrent for the metropolitan area, in US dollars). A 3 years average of the values is undertaken. Please make sure to specify whether the information is for the municipal area or the metropolitan region. • Total population (P). Please make sure that the spatial unit (municipality/metropolitan) is standard for the local government revenue and the population size. • Local government revenue per capita (LGR) = R/P
Reference:	Global Urban Indicators Data base

Indicator 2:	Ratio of actual recurrent and capital budget
Principle(s):	Effectiveness; Accountability
Methodology:	<p>The indicator is measured by identifying the following data:</p> <ul style="list-style-type: none"> • The total local government recurrent budget (R) : Recurrent includes income derived on a regular basis (e.g. taxes and user charges) • The total local government capital budget (C) : Capital includes fixed income, that is derived after allocation of funds from internal or external sources (E.g. higher levels of government, private sector, donor agencies). • Ratio of actual recurrent and capital budget (RRC) = R/C
Reference:	New Indicator, adapted from Global Urban Indicators Data base

Indicator 3:	Local government revenue transfers (core set, no.2)
Principle(s):	Effectiveness; Accountability, Participation
Definition:	Percentage of local government revenue originating from higher levels of government. This includes formula driven payments (such as repatriation of income tax), other grant donations from higher government levels including national or state governments and other types of transfers.
Methodology:	<p>The indicator is measured by identifying the following data:</p> <ul style="list-style-type: none"> • Local government revenue (R) = Total local government revenue (transfers and non-transfers) • Transfers in local government revenue (T): Income originating from higher levels of government, which include formula driven payments (such as repatriation of income tax), other grant donations from higher government levels including national or state governments and other types of transfers • Percentage of local government transfer (LGT) = $(T / R) * 100$ • Scoring on the percentage of transfers: 0-25% = 1.0; 25-50% = 0.75; 50-75% = 0.50 and 75-100% = 0.25
Reference:	UN-HABITAT Global Urban Indicators Database (GUID)

Indicator 4:	Ratio of mandated to actual tax collection (core set, no.3)
Principle(s):	Effectiveness; Accountability, Participation
Definition:	Ratio of mandated tax collected to the actual tax collected. Tax collection is one of the sources of income for the local government.
Methodology:	<p>The indicator is measured by identifying the following data:</p> <ul style="list-style-type: none"> • Actual tax collected (C) • Mandated (planned) tax to be collected (M) • Ratio of mandated to actual tax collected (TC): C/M <p><u>Taxes:</u> municipal rates and levies, any local taxes on the transfer of property and any other taxes such as entertainment or hotel taxes, motor vehicle taxes, taxes on business which do not reflect the direct provision of services</p>
Reference:	New Indicator, Adapted from UN-HABITAT Global Urban Indicators Database (GUID)

Indicator 5:	Predictability of transfers in local government budget
Principle(s):	Effectiveness
Definition:	Does the local authority knows well in advance (2-3 years) about the amount of budget and level of consistency/regularity in receiving transfer from higher government?
Methodology:	<p>1. The effort is to measure whether the local authority knows well in advance (2-3 years) about the amount of budget and level of consistency/regularity in receiving transfer from higher government.</p> <p>The following queries need to be addressed:</p> <ul style="list-style-type: none"> - Is the amount of fund transfers from higher level of govt.(national/state known in advance (approx. 2-3 years) of the local budgeting process? (Yes/No) <p>2. The second important aspect to measure the “basis” of transfers. For example, the population in 1999 was 1 million and the transfer was \$1 million. In 2000, the population was 1.1 million, but the amount of transfers was \$900,000. In the absence of a strong correlation between the basis and the transfer amount, the transfers may not be predictable.</p> <ul style="list-style-type: none"> - Is there a basis to determine the transfer amount? (Yes/No) <p>The transfers include the formula driven payments (such as repatriation of income tax) and other grant donations from higher government levels including national or state governments</p>
Reference:	New Indicator

Indicator 6:	Published performance delivery standards (core set, no. 4)
Principle(s):	Effectiveness, accountability
Definition:	Presence or absence of a formal publication by the local government of performance standards for key services delivered by the local authority.
Methodology:	<p>The following queries need to be addressed.</p> <ul style="list-style-type: none"> • Is there currently a formal publication of performance standards for key services delivered by the local authority? (PPS) (Yes/No) • If yes, what is the number of key services for which the PPS is present (S) • What is the total number of key services for which PPDS should be present (T) • Published performance delivery standards (PPDS) : PPS x S/T <p>Key services include: Water supply, electricity, sanitation, solid waste management, health, education and others.</p>

Reference:	<ul style="list-style-type: none"> At what institutional level does the publication of performance standard takes place? (Municipality/District/State/Province) <p>New indicator</p>
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Indicator: 7	Consumer Satisfaction Survey
Principle(s):	Effectiveness, Accountability
Definition:	Existence and frequency of a survey on consumers' satisfaction with the local authority's services.
Methodology:	<p>The indicator is measured by the following:</p> <ul style="list-style-type: none"> Has a survey of consumer satisfaction with local government services being undertaken in the city? (Yes/No) At what institutional level is the consumer satisfaction survey undertaken? (Municipality/District/State/Province) <p><i>Note: Data can be available at individual government departments / consumer courts, sometimes Consumer Satisfaction Surveys might be handled by a department external to government, such as a local university.</i></p>
Reference:	New Indicator

Indicator 8:	Existence of a vision statement
Principle s):	Effectiveness, Accountability, Participation
Definition:	The measure of local authorities commitment in articulating a vision for the city's progress. Does the local authority articulate a vision for the city's future through a participatory process?
Methodology:	<p>The following queries need to be answered:</p> <ul style="list-style-type: none"> Is there a vision statement developed for the cities' future by the local government (VS)? (Yes/no) If Yes, has the vision statement been drafted through a participatory process (involving local government, civil society and the private sector (PP))? (Yes/No) Vision statement (VSE) = 0.5 (VS + PP)
Reference:	New indicator

B. Equity

Indicator 9:	Citizens' Charter: right of access to basic services (core set, no. 5)
Principle(s)	Equity, Accountability
Definition	Presence or absence of a signed, published statement (charter) from the local authority which acknowledges citizens' right of access to basic services.
Methodology:	<p>The Citizen'' Charter may have been drafted by the local authority or representative people's associations. The following queries need to be addressed:</p> <ul style="list-style-type: none"> Is there a signed, published statement (charter) from the local authority which acknowledges citizens' right of access to basic services (CC)? (Yes/No) If yes, what is the number of key services for which the CC is present (S)? What is the total number of key services for which CC should be present (T)? Citizen charter for basic services (CCS) = CC x S/T

	<p>Additional information:</p> <ul style="list-style-type: none"> • If Yes, at what institutional level the published statement acknowledges citizens' rights for basic services? • Key services include: Water supply, electricity, sanitation, solid waste management, health, education and others. • What is the medium of publication of the Charter? (Newspaper, radio, Internet, Notice Board etc.)
Reference:	New indicator

Indicator 10 & 11	Women councilors (core set, no. 6 and 7)
Principle(s) Definition	<p>Equity</p> <ul style="list-style-type: none"> • Percentage of women councilors to the total number of councilors in a local authority (in the last election). • Percentage of women councilors in key positions.
Methodology:	<p>The following queries need to be addressed:</p> <ul style="list-style-type: none"> • What is the Number of women councilors, both elected and nominated (in the last election), as a percentage of the total number of councilors in the local authority? This can be answered by applying the simple equation: $X = \frac{(We + Wn) \times 100}{T}$ <p>Where X=Percentage of women councilors; We= No. of women councilors elected; Wn= No. of women councilors nominated; T= Total no. of councilors in the last elections, Wk= No. of women in key positions (Mayor, Deputy Mayor etc.), Y = Percentage of women in key positions</p> <ul style="list-style-type: none"> • Percentage of women councilors in key positions, can be addressed by: $Y = \frac{Wk \times 100}{T}$ <p>Additional information:</p> <ul style="list-style-type: none"> • In what year was the most recent election held (e.g. 2001)? • What is the frequency of local elections? (e.g. every 3, 4, or 5 years) • What is the break up of women councilors position? (Mayor, Deputy Mayor etc.)
Reference:	World Bank - "Women representation in municipal positions as % of total representation"

Indicator 12:	Pro-poor pricing policies for water (core set, no. 8)
Principle(s) Definition:	<p>Equity</p> <p>Presence or absence of a pricing policy for water which takes into account the needs of the poor households, translated into lower rates for them compared to other groups and prices applied to business/industrial consumption.</p>
Methodology:	<p>The pro-poor policy can be evaluated in terms of its content and the actions undertaken through the policy. The following queries need to be addressed:</p> <ul style="list-style-type: none"> ▪ Is there a pro-poor pricing policy for water? (Yes/No) ▪ Percentage households with access to water supply (within 200m) ▪ Median price of water (supplied by the local authority): <ul style="list-style-type: none"> - Informal settlements (poor households) (Wi) - Other residents (Wr) - Difference in the median water price = Wr-Wi ▪ In the absence of no data on water price the following information will be useful: Is the water price in informal settlements, same or cheaper than the other residential areas? (Yes/No)

Reference:	<p>Additional information:</p> <ul style="list-style-type: none"> • What is the water supply delivery mechanism? • If yes, please explain the policy's key features (e.g. subsidy or cross-subsidy). <p><i>Average price of water is the cost per hundred liters of water in US dollars, at the time of year when water is most expensive.</i></p> <p>New indicator</p>
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Indicator 13:	Incentives for informal businesses
Principle(s):	Equity
Definition:	Presence of particular areas in the central retail areas of the city where small scale (informal) street vending is not allowed (or submitted to particular restrictions). Also measures the existence of incentives for informal businesses e.g. street vending, informal public markets, and municipal fairs.
Methodology:	<p>The informal nature of his activity would render it difficult to quantify in absolute terms. However, the following simple queries will determine the local governments effort to support the informal sector, thus signifying principles of equity:</p> <ul style="list-style-type: none"> - Are there any particular areas in the central retail areas of the city where small scale (informal) street vending is <u>not allowed</u>? (Yes/No) - Are there any particular areas in the central retail areas of the city where small scale street vending is submitted to <u>particular restrictions</u>? (Yes/ No) - Are there any other incentives like <u>information pubic markets, municipal fairs</u>? (Yes/No) <p>Additional information:</p> <ul style="list-style-type: none"> - Within the past year, approximately how many protests or confrontations have taken place involving informal street vendors and local authorities or police?
Reference:	New indicator

C. Participation

Indicator: 14	Elected Council (core set, no. 9)
Principle(s):	Participation; Effectiveness
Definition:	The indicator measures whether the local governing council is elected through a democratic process or not. An Elected Council is a body of Local Government Officials selected/chosen by the local population through organized voting with an administrative, advisory or representative function at the City Level. (Defined from Dictionary)
Methodology:	<p>The indicator is measured by a simple 'yes/no' questions that should however be verified</p> <ul style="list-style-type: none"> - Are councilors locally elected? (Yes/No) - If the councilors are both elected as well as appointed, please provide the distribution (% appointed and % elected).
Reference:	New indicator

Indicator: 15	Selection of Mayor (core set, no. 10)
Principle(s):	Participation; Effectiveness, Accountability
Definition:	The indicator measures how the mayor is selected, whether directly elected, elected amongst the councilors or appointed.
Methodology:	<p>The indicator is measured by providing a simple Yes/No:</p> <ul style="list-style-type: none"> - What is the process of selecting the Mayor? <ul style="list-style-type: none"> - Directly elected - Elected amongst councilors - Appointed

Reference:	<p><i>Intermediate scores have been applied towards this indicator, directly elected (1.0), elected amongst councilors (0.75) and appointed (0.50).</i></p> <p>Devas, Nick (2000) Connections between Urban Governance and Poverty, Theme Paper 20 in the Urban Governance, Poverty and Partnerships Study, University of Birmingham, UK.</p>
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Indicator: 16	Voter turnout (core set, no. 11)
Principle(s):	Participation, Equity, Accountability, Effectiveness
Definition:	Total voter turnout (both male and female) in percentage in the last election.
Methodology:	Voter turnout (both male and female) in percentage is simple indicator that measures voter participation.
	<p><u>Additional information:</u></p> <ul style="list-style-type: none"> - What is the frequency of elections? - Which year was the last election held?
Reference:	UN-HABITAT Global Urban Indicators Database (GUID)

Indicator: 17	Public forum (core set, no. 12)
Principle(s):	Participation
Definition:	The public forum could include people's council, city consultation, neighborhood advisory committees, town hall meetings etc.
Methodology:	<p>The indicator is measured by a simple 'yes/no' question with additional open-ended information on the type of public forum.</p> <ul style="list-style-type: none"> - Is there any public forum for the citizens to express their views? (Yes/No) - If yes, please provide information on the type of public forum, frequency (how many times in a month or year) of such forums.
Reference:	New Indicator

Indicator: 18	Civic Associations per 10,000 population (core set, no. 13)
Principle(s):	Participation, Equity, Accountability, Effectiveness, Security
Definition:	Measured as the number of civic associations (registered) per 10,000 people within the local authority's jurisdiction.
Methodology:	<p>The total city population is divided into clusters of 10,000. Divide the city's population first by 10,000 and then by the number of civic associations registered with the local authority.</p> <p>$C = 10,000 \times N/Y$</p> <p><i>C is the Civic association per thousand populations; N is the number of Civic Associations and Y is the Total Urban Population.</i></p>
Reference:	New Indicator (Adapted from UN-HABITAT Global Urban Indicators Database)

D. Accountability

Indicator 19:	Formal Publication of contracts/tenders, budgets & accounts (core set, no. 14)
Principle(s):	Accountability (Transparency), Participation, Equity, Effectiveness
Definition:	Existence of a formal publication (to be accessible) by the local government that consists of contracts, tenders and budgets and accounts.
Methodology:	<p>A formal publication process may be assessed through regular mass publication of contracts, tenders, budgets and accounts of the local government's activities.</p> <p>The following queries need to be addressed:</p>

Reference:	<ul style="list-style-type: none"> - Is there a formal publication of: <ul style="list-style-type: none"> - Contracts and tenders? (Yes/No) - Budgets and accounts? (Yes/No) - What is the medium of publication of the standards? (E.g. Newspaper, radio, Internet, notice board etc.) <p>UN-HABITAT Global Urban Indicators Database (GUID)</p>
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Indicator 20:	Control by higher levels of Government (core set, no. 15)
Principle(s):	Accountability (Responsiveness), Effectiveness, Participation
Definition:	Measures the control of the higher levels of government (National, State /provincial) for closing the local government and removing councilors from office.
Methodology:	<p>The indicator is measured by a simple “yes” or “no” to the following questions:</p> <ul style="list-style-type: none"> - Can higher levels of government (National, State /provincial): <ul style="list-style-type: none"> - Close the local government? (Yes/No) - Remove councilors from office? (Yes/No) - If the higher level of government can remove the councilors, what is the process? - Can the local government, without permission from higher governments: <ul style="list-style-type: none"> - Set local tax levels? - Set user charges for services? - Borrow funds? - Choose contractors for projects?
Reference:	UN-HABITAT Global Urban Indicators Database (GUID)

Indicator 21:	Codes of conduct
Principle(s):	Accountability (integrity), Participation, Equity
Definition:	Existence of a signed published statement of the standards of conduct that citizens are entitled to from their elected officials and local government staff.
Methodology:	<p>The following queries need to be addressed:</p> <ul style="list-style-type: none"> - Is there a signed, published statement of standards of conduct citizens are entitled to from their elected officials and local government staff? (Yes/No) - At what institutional level are these codes of conduct prescribed? (Municipality, State/Province) - If the codes of conduct are prescribed at the District/State/Province level are they applied to local councilors? (Yes/No) - Please submit a copy of the published code of conduct.
Reference:	Transparency International

Indicator 22:	Facility for citizen complaints
Principle(s):	Accountability (Integrity, Corruption: Disincentives & Protection), Participation, Effectiveness
Definition:	The existence of a facility established within the local authority to respond to complaints and a local facility to receive complaints and information on corruption.
Methodology:	<p>A simple “yes” or “no” measures the existence of the facility while “percentage of complaints addressed” measures the level of responsiveness.</p> <p>The following questions are elaborated:</p>

	<ol style="list-style-type: none"> 1. Are there any facilities or mechanisms to receive complaints or grievances from citizens? (Yes/No) 2. Is there any official appointed to receive and respond to complaints against public authorities (Yes/No) 3. Percentage of complaints addressed (Pc) $Pc = (Ta/Tc) \times 100$ Tc= Total number of registered complaints (last 1 year) and Ta = Total number of cases addressed <p>Reference: New Indicator (Adapted from indicator Ombudsman’s office of Transparency International)</p>
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Indicator 23:	Anti-corruption Commission (core set, no. 16)
Principle(s):	Accountability (Corruption: Disincentives & Protection), Participation, Equity
Definition:	Existence of a local agency to investigate and report cases of corruption.
Methodology:	A simple “yes” or “no” can measure the indicator.
	- Is there a local agency to investigate and report cases of corruption? (Yes/ No)
Reference:	New indicator

Indicator 24:	Disclosure of income/ assets (core set, no. 17)
Principle(s):	Accountability (Corruption: Disincentives & Protection)
Definition:	Are locally elected officials required to publicly disclose their income and assets (and those of their immediate family) prior to taking office?
Methodology:	A simple “yes” or “no” can measure this indicator.
	- Prior to taking office, are locally elected officials required by law to publicly disclose: <ul style="list-style-type: none"> • Personal income (Yes/No) • Personal assets (Yes/No) • Immediate family income (Yes/No) • Immediate family assets (Yes/No)
	- Are local office bearers' incomes and assets regularly monitored? (Yes/No)
Reference:	Transparency International

Indicator 25:	Independent audit (core set, no. 18)
Principle(s):	Accountability (Corruption: Disincentives & Protection),
Definition:	Is there a regular independent audit of municipal accounts, the results of which are widely disseminated?
Methodology:	A simple “yes” or “no” can measure this indicator.
	Is there a regular independent audit of municipal accounts? (Yes/ No)
	Is the audit external or internal?
	<u>Additional information:</u> Which entity is responsible for the regular independent audit of municipal accounts?
Reference:	Transparency International