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# DIRECTIONS in Urban Development

## THE GLOBAL CITY INDICATORS PROGRAM: A MORE CREDIBLE VOICE FOR CITIES

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*No single standard or comprehensive system to measure and monitor city performance and urban quality of life exists today. The Global City Indicators Program, driven by cities themselves, fills this important gap. Through the collection and analysis of city data in a comparative format and data domain, elected officials, city managers and the public will be able to monitor the performance of their cities over time based on a core set of indicators.*

The Global City Indicators Program (GCIP) is a decentralized, city-led initiative that enables cities to measure, report, and improve their performance and quality of life, facilitate capacity building, and share best practices through an easy-to-use web portal. GCIP assists cities in providing support to decision makers in making informed policy decisions, in addition to enhancing government accountability to the public. An ISO standard for city indicators, which is currently in development, will facilitate comparability and verification across cities and over time. The GCIP was initiated by the World Bank and its partners and is now run by the Global City Indicators Facility, based at the University of Toronto, which oversees the development of indicators and assists cities to join the Program.

The World Bank, along with UN-Habitat, the World Economic Forum, OECD, the Government of Canada, and ICLEI, recognized the urgent need for a single comprehensive system for measuring and monitoring city service delivery and urban quality of life that would enable elected officials, city managers, and the public to monitor the performance of cities over time, facilitate comparisons across cities, and provide enhanced government accountability demanded by policy makers and the public.

### The Need for Standardized Indicators

Managing cities effectively and efficiently is critical and becoming more complex as population growth and economic development are taking place in urban areas. Today's big challenges, such as poverty reduction, economic development, climate change, and the creation and maintenance of an inclusive and peaceful society, will all need to be met through the responses of cities. So too will the day-to-day challenges of garbage collection, responding to the house on fire and larger disasters, and facilitating the provision of water, electricity, education, health care, and the myriad of other services that make life more productive and enjoyable.

To date, no single, standard, or comprehensive system exists to measure and monitor city performance and quality of life. Cities, on average, are each collecting in excess of 100 indicators, and in some cases, annually collect 1,000 indicators. The nine pilot cities of the Global City Indicators Program

were collecting over 1,000 indicators, only three of which were common to all cities. This lack of standardization limits the ability of cities to observe trends, monitor process improvements, establish benchmarks, share best practices, or learn from each other. Moreover, data collection costs are often considerable for municipalities.



*Amman Institute will support the City of Amman in monitoring service delivery through its participation in GCIP, while also serving as a regional partnership platform to extend its services to other cities in Jordan and the region.*

The pace of change within and among cities is increasing. Indicators need to be anchored on baseline data and be sufficiently broad to capture social and economic aspects of urban development. Standardized indicators are essential in order to measure the performance of cities, capture trends and developments, and support cities in becoming global partners.

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## Measuring City Performance

- Over the last twenty years, the role of cities and local governments has expanded considerably. Where some were focused primarily on basic service provision in the past, they now are engaged in debating the climate change agenda, attracting foreign investment, and partnering with the private sector and civic organizations on a number of initiatives as never before.

- Indicators help city managers and decision makers monitor the performance of policies. Indicators help determine municipal capacity for service delivery and can diagnose key areas where city services are lagging and need to be improved. They can inform city officials on how to manage city growth and provide enhanced accountability demanded by policy makers and the public.

- Use of city indicators at the national level can enable national governments to determine the management and financial capacity of municipalities. In many countries, cities are demanding more powers and financing from state and national governments. Cities, they argue, provide the bulk of services and are usually less well-financed than higher levels of government. Responses to these requests vary depending on the fiscal situation at the national level as well as perceptions of good governance and management capacity within cities.

- National governments are increasingly looking at fiscal discipline at the local government level and can use verified indicators to monitor and track local government performance. For example, the Government of Canada is asking cities to provide performance data in exchange for receiving a portion of the fuel tax being collected by the national government.

## Capturing Trends over Time and across Cities

- Indicators are necessary in order to assess trends to determine future implementation of policies. Mayors, residents, businesses, research and financial institutions all desire information on a city's performance. Indicators help to facilitate comparisons across cities and over time. There is a growing need to know the quality of life, economic and demographic trends, and environmental measures adopted in cities.

- Indicators also enable development organizations to monitor aid effectiveness of projects. The lack of reliable disaggregated data is a limitation that development institutions face when trying to respond to development assistance needs of cities. Well-defined, standardized indicators could thus help in monitoring and evaluating projects. Such indicators will be particularly useful in designing policy-based lending instruments, with progress on key indicators, triggering the release of financing tranches based on the achievement of policy reforms and improved service delivery outcomes.

- Indicators can also determine benchmarks and targets for cities based on experiences of other cities and enable cities to share best practices.

## Playing a Global Role

- As part of a more interconnected world, cities are competing for investments, international events such as sports events and fairs, and corporate and institutional headquarters. Competition among cities is intensifying, but is expected to be most intense among the 'elite' cities. Thus, urban citizens are likely to demand more leadership from the municipal representatives. Much of this growth is occurring in developing countries. For example, Beijing won the bid for the 2008 Olympics outcompeting Istanbul and developed-country cities such as Paris, Osaka, and Toronto; EXPO 2010 in Shanghai will be the first of its kind in the developing world.

- Cities are playing an increasingly active role in the climate change negotiations. Over 900 US mayors voluntarily committed to meeting Kyoto Protocol emission targets while seeing a lack of leadership at the national level. The number of national and international city-to-city agreements and accords will continue to increase.

- Cities are trying to 'brand' themselves and become individual members of a wider urban concept.

### Characteristics of Good Indicators

The performance and the quality of life of a city are measured by a set of indicators and indices, which collectively tell a "story". Good data are necessary, but not sufficient. Often, the data that are usually available come from censuses, national household surveys, demographic, health, and living standards measurement surveys, or from public or private companies. These data are usually expensive to collect or are representative at the state or national level and don't allow for disaggregation at the local level.

The following are characteristics that an indicator must possess for it to be accurate, timely, and relevant for policy and measurement purposes:

**Objective:** The indicator should be clear, well defined, precise, simple to understand, and be reported annually;

**Relevant:** The indicator should have a clear link to established goals (e.g., city services and quality of life objectives, MDGs) and be relevant for decision makers;

**Measurable and Replicable:** The indicator must be easily quantifiable, statistically accurate, scientifically consistent in collection, cost effective to collect, capable of third-party verification, accurate, transparent, independent of external influence, and not subject to disruption through lack of funding support;

**Flexible:** The indicator should be capable of accommodating improvements and refinements over time;

**Effective:** The indicator should be fundamental to improved decision making and sound urban planning, meaningful to cities across the globe regardless of size, political structure, geography, or affluence and comparable over time and across cities;

**Interrelated:** An indicator combined with other indicators should add a greater understanding than just the sum of its parts; and

**Inclusive:** The indicator should be such that participating cities could enter the program at their own pace and collect information directly relevant to their circumstances.

## The Global City Indicators Program

The World Bank initiated the Global City Indicators Program, through funding from the Government of Japan, to develop a set of indicators to be collected and used by cities that would be representative and rigorous enough to enable third-party verification. GCIP was announced as a pilot initiative at the World Urban Forum in Vancouver in 2006, and with support from several donors and development partners, such as UN-Habitat, World Economic Forum, OECD, the Government of Canada, and ICLEI, was launched at the World Urban Forum in Nanjing in November 2008. The World Bank proposed to build on existing indicators and facilitate the development of consistent and comparative city indicators to help cities monitor service delivery performance and quality of life. It is essential that cities adopt a consistent and commonly agreed upon definition and methodology for each indicator to ensure comparability of reported results. A lack of standardization will continue to severely limit the ability of cities to learn from each other and defeat the purpose of the Global City Indicators Program. Thus, the indicators are standardized to enable cross-city comparisons and third-party verification and are designed to be simple and inexpensive to facilitate annual data collection. Each participating city is responsible for inputting and updating the indicators for its city.

The Global City Indicators Program is suitable and applicable for all cities regardless of their size; however, at the present time, cities with over a million people are targeted in order to reach a critical mass. Given the lack of a standardized definition of a 'city', the unit of measurement used is the first and most direct level of local government: the municipality. The Program also accommodates and aggregates data from metropolitan areas or urban agglomerations. For example, the city of Toronto can be both an 'individual' member as well part of the Greater Toronto Area, which consists of the municipalities of Durham, Halton, Peel, and York.

### Program Management

The GCIP is run by the Global City Indicators Facility based at the University of Toronto, which manages the development of indicators and assists cities in joining the Program. A Board of Directors and an Advisory Board oversee the Global City Indicators Facility and provide technical and advisory support to the Facility. The Boards are made up of representatives from cities, international organizations, and academia.

Through extensive consultation and in collaboration with partner cities and organizations, the Global City Indicators Program has developed a truly globally relevant and applicable set of city indicators and a process to revise and update the indicators. Cities were actively engaged and participated in the preparation, critical review, selection, and development of the indicators as well as the definition and methodology for monitoring and reporting.

### Table 1: City Services Themes

| | |
|---|---|
| Education | Recreation |
| Energy | Safety |
| Finance | Solid Waste |
| Fire & Emergency Response | Transportation |
| Governance | Water |
| Health | Wastewater |

### Framework of Indicators and Indices

The Global City Indicators Program is organized into two broad categories: city services (which includes services typically provided by city governments and other entities) and quality of life (which includes critical contributors to overall quality of life, though the city government may have little direct control on these activities). The two categories are structured around 18 themes (see tables 1 and 2). Each theme consists of core and supporting indicators. It is expected that participating cities will report on the core indicators annually and are encouraged, but not required, to report on the supporting indicators, which may initially be harder for cities, especially those in developing countries, to collect or may not be relevant for some cities.

### Table 2: Quality of Life Themes

| | |
|---|---|
| Civic Engagement | Shelter |
| Economy | Social Equity |
| Environment | Technology & Innovation |

### Global City Indicators

At present, there are 27 core and 36 supporting indicators. Standardized definitions and detailed methodologies have been developed for all 63 indicators, which can be found on the GCIP website (www.cityindicators.org).

In addition to these 63 indicators, there are also 10 indices listed in table 3 that are currently under development. Indices are constructed as weighted combinations of indicators and can usually provide more information than specific indicators to provide a profile of a city's overall performance. Indices give a more complete picture of city performance or quality of life. For example, in financial markets, Earnings per Share (EPS) is an indicator of corporate performance, while the Dow Jones Index is a measure of aggregate stock market performance. Specific city indicators and indices collectively can provide a sound basis for measuring city performance. Further development of these indicators is planned through a cooperative approach with several pilot cities and participating agencies.

*The most recent list of indicators is available on the GCIP website: www.cityindicators.org*

### Process to Standardize Indicators

The Global City Indicators Program process encompasses monitoring, reporting, verifying, and amending the indicators. Similar to a Wikipedia approach, the Global City Indicators Program is a dynamic web-based resource (www.cityindicators.org) that allows participating cities across the world to standardize the collection of their indicators and analyze and share the results and best practices on service delivery and quality of life.

*Monitoring.* An essential element in the adoption of any city indicator is the establishment of a standardized methodology for measurement. Without this, cities cannot confidently make meaningful comparisons on performance over time and across cities. A Global City Indicators Standard within the framework of the International Standards Organization (ISO) is currently being developed to

**Table 3: Indices in the Global City Indicators Program**

| GCIP INDICES | |
| --- | --- |
| Competitiveness | Social Capital |
| Creativity | Subjective Well-Being |
| Greenhouse Gas | Total Energy Use |
| Governance | Urban Accessibility |
| Recreation & Culture | Water Quality |

ensure that there are consistent and standardized methodologies to collect the Global City Indicators. The Canadian Standards Association, along with support from Brazil's Associação Brasileira de Normas Técnicas (ABNT) and Colombia's Instituto Colombiano de Normas Técnicas y Certificación (ICONTEC) has sponsored the development of the first phase of this new standard, building on expertise accrued through TC207, the Technical Committee on Environmental Management, which is responsible for the development of the ISO 14000 series standard and guidance documents. At this time, only the core indicators would be included in the ISO standard, but over time supporting indicators will also be ISO standardized.

*Reporting*. Cities would be able to report their indicators annually as a "Performance Statement", and eventually at the same time as the city financial statement is issued. The City Performance Statement would provide results on all reported indicators; identify the responsible service provider for each of the service-based indicators; provide results in the context of the city profile (e.g., population, size, city budget); compare results with applicable benchmarks or individual city-established targets and with prior years to show trends; indicate consistency with the approved collection methodology; and is signed by a responsible City government employee as well as an independent verifier.

*Verifying*. It is important that the indicators reported by participating cities be independently verified. This verification will help assure other cities, decision makers, and the public that the data have been collected using the agreed-to standardized methodology, that the city is accurately reporting its performance, and to provide transparency for the overall process. Although there is value in providing third-party verification, the need for verification should not impose significant costs on participating cities. Universities, non-governmental organizations, and professional auditors could be qualified to verify the annual performance statements.

*Amending*. It is expected that the indicators will change over time and will not remain static as they address emerging issues, changes in the roles and responsibilities of city governments, and as improved indicators or methodologies are developed. With input from participating cities and the Advisory Board, the Board of Directors of the Global City Indicators Facility is responsible for regular modifications to the Global City Indicators.
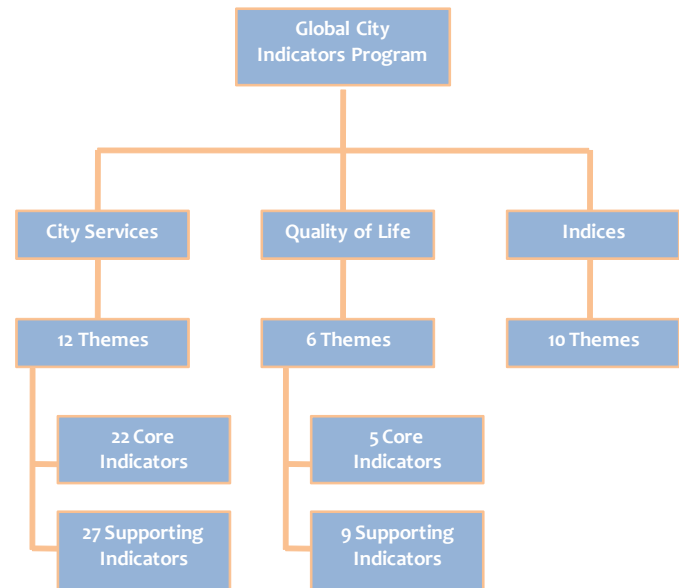
## Next Steps

Since the Global City Indicators Facility was set up in October 2008, over 30 cities have joined the Program. The Global City Indicators Facility has member cities on each continent.

The Global City Indicators Facility holds workshops and training sessions in different cities, and has also been invited by some national governments to roll out the Program nation-wide.

The Global City Indicators Facility is currently facilitating the development of various indices that cities will be able to access on the Program website. The Facility is also in the process of developing MetroMatch, a selective incentive program piloted by King County, Washington State, US to enable cities to share their best practices and either volunteer or request expertise from peer cities on various aspects of city management or service delivery. Over time, additional benefits are expected to help encourage broad-based city participation.

**Table 4: Structure of the Global City Indicators Program**

Global City Indicators Program

- City Services
  - 12 Themes
    - 22 Core Indicators
    - 27 Supporting Indicators
- Quality of Life
  - 6 Themes
    - 5 Core Indicators
    - 9 Supporting Indicators
- Indices
  - 10 Themes

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