

## ATTACHMENT 2 ILLUSTRATIVE INDICATORS FOR MONITORING URBAN AND LOCAL GOVERNMENT PERFORMANCE UNDER THE NEW STRATEGY

Outcome indicators	Output indicators	Input indicators
<p><b>LIVABILITY</b></p> <ul style="list-style-type: none"> <li>• Urban poverty rates, especially for female-headed households</li> <li>• Income inequality (ratio of fifth quintile to first quintile)</li> <li>• Public health—rates of waterborne disease</li> <li>• Ambient air and water quality</li> <li>• Infant or child mortality</li> <li>• Child nutritional status</li> <li>• Murder rate</li> <li>• Satisfaction with quality of life expressed by urban residents in representative surveys or social assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of households with access to piped water, sanitation, power, heating, and social services</li> <li>• Percentage of income spent by low-income households on housing, water, energy, transport, food, and social services</li> <li>• Percentage of households with secure tenure</li> <li>• Crowding (floor space per person)</li> <li>• Percentage of households in informal housing or slum neighborhoods</li> <li>• Housing affordability (ratio of housing prices to incomes)</li> <li>• Rental market turnover</li> <li>• Availability and use of public transport</li> <li>• Percentage of solid waste adequately disposed</li> <li>• Percentage of wastewater treated</li> <li>• School dropout rates</li> <li>• Response time to disasters</li> </ul>	<ul style="list-style-type: none"> <li>• Investment and system efficiency improvements to expand coverage and quality of water, sanitation, power, heating, and social services</li> <li>• Percentage of slum neighborhoods upgraded</li> <li>• Reform of building codes and land development requirements to speed housing supply</li> <li>• Reform of land and property rights and cadastres</li> <li>• Availability of mortgage financing and targeted housing subsidies</li> <li>• Availability of microcredit for self-help and informal sector home improvement</li> <li>• Improved management of solid waste collection and disposal (for example, by contracting out collection)</li> <li>• Improved management of public transport (for example, by promoting private commercial operations)</li> <li>• Traffic safety improvements</li> <li>• Disaster mitigation planning</li> </ul>
<p><b>COMPETITIVENESS</b></p> <ul style="list-style-type: none"> <li>• Growth and diversity of urban employment</li> <li>• Growth of median urban incomes</li> <li>• Share of urban employment in informal sector</li> <li>• Growth and structure of investment in urban areas</li> <li>• Growth of foreign direct investment in urban areas</li> <li>• City product per person (“city GDP”)</li> </ul>	<ul style="list-style-type: none"> <li>• Trends in infrastructure service quality and efficiency (telephone call completion rates, power and water service interruptions)</li> <li>• Functioning land markets (with land use reflecting market value)</li> <li>• Mean travel time to work</li> </ul>	<ul style="list-style-type: none"> <li>• Investment, management, and maintenance improvements in infrastructure, including through private financing and operation as appropriate</li> <li>• Streamlining of business and real estate regulations</li> </ul>

## ATTACHMENT 2 ILLUSTRATIVE INDICATORS FOR MONITORING URBAN AND LOCAL GOVERNMENT PERFORMANCE UNDER THE NEW STRATEGY (continued)

Outcome indicators	Output indicators	Input indicators
<ul style="list-style-type: none"> <li>Satisfaction with business climate expressed by firms of different types and sizes (including informal sector firms)</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory delays for real estate transactions and for approval of business licenses</li> <li>Availability of microcredit</li> <li>Access of firms to information technology and financial services</li> </ul>	<ul style="list-style-type: none"> <li>Streamlining of city information for potential investors (for example, public notice of real estate transactions)</li> <li>Technical assistance, and microcredit provided to small and informal sector firms</li> <li>Collaboration among the business sector, local government, research community, and other civil society organizations in promoting a positive business climate for broad job growth</li> </ul>
<h3>GOOD GOVERNANCE AND MANAGEMENT</h3> <ul style="list-style-type: none"> <li>Accountable and honest local government that is responsive to the needs of the poor</li> <li>Efficiency and competency of local government in fulfilling essential responsibilities</li> <li>Extent of trust and satisfaction with local government performance expressed by citizens and other stakeholders in representative surveys</li> </ul>	<ul style="list-style-type: none"> <li>Extent of strategic intent or vision developed in partnership with stakeholders that guides local government activities</li> <li>Extent of regular public consultation in local government's budgeting and investment selection process</li> <li>Percentage of local government staff with professional qualification</li> <li>Percentage of local government services that are subjected to competition with the private sector to assure efficient and effective service delivery</li> <li>Public access to information about local government decisions (e.g. policy and regulatory, contract awards, procurement service delivery and budgetary performance, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Clear frameworks for intergovernmental assignment of responsibilities</li> <li>Extent of devolution of functions and corresponding authority to local government</li> <li>Extent of citizen participation or representation in local government (direct election of mayor and council, active involvement of community organizations in planning functions)</li> <li>Clear institutional framework for private sector participation in local public services</li> <li>Training of local government staff</li> <li>Manuals of procedures for major administrative functions that follow good practice and are observed</li> </ul>

- Incentive structures for employees and public representatives that facilitate a public service ethic
- Independent and objective framework for reporting on local government integrity and performance

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## **BANKABILITY**

- Balance of local government budget
- Local government capital investment as share of its budget
- Local government creditworthiness ratings (actual or proxy)
- Integration of municipal finance and mortgage finance into the country's overall financial systems
- Tax collection rates (or tax effort relative to revenue base)
- Development of municipal credit market (percentage of banking system lending to municipalities, percentage of bank assets for municipal credit, municipal bond issues)
- Repayment record of municipal credit funds
- Local government debt service ratio
- Improved cost recovery on revenue-earning services
- Government regulations providing a clear framework for municipalities' access to credit
- Percentage of local governments eligible for and with access to municipal credit (for example, in municipal development funds)
- Percentage of local governments complying with accounting and public disclosure standards
- Investment evaluation procedures used and capital budgets prepared
- Transparent and targeted subsidy policies