

URBAN GOVERNANCE INDEX

DECEMBER 2018

Pioneering work by Sulochana Thapar Foundation using UN-Habitat Framework to assess performance of Urban Local Bodies in India

Urban Governance Index (UGI) is a self-assessment tool for cities and local authorities that can help initiate a dialogue with a wide range of government and civil society stakeholders on development priorities. UGI has been developed based on the framework of Global Campaign on Urban Governance and reflects four dimensions – effectiveness, equity, participation and accountability. The index is constructed for above dimensions using Principal Component Analysis (PCA) of the factor reduction method. All dimensions are interrelated and play an important role in the service delivery of Urban Local Bodies.

EFFECTIVENESS
8 SUB-INDICES
14 VARIABLES

EQUITY
4 SUB-INDICES
29 VARIABLES

PARTICIPATION
5 SUB-INDICES
12 VARIABLES

ACCOUNTABILITY
7 SUB-INDICES
30 VARIABLES



As per UN World Urbanization Prospects 2018, India has shown a three percent increase in its urban population since 2011 Census with 34 percent of the population living in urban areas. Along with concentration of population, cities today are economic centers of the country with multiple reports suggesting that they contribute over 50 percent of economic output of the GDP. Urban India today is rightly at the centre of development and policy discourse. While infrastructure deficit is an important area of focus for policy makers, urban governance is another crucial area commanding attention in policy and priority setting of the Indian state.

Starting with JnNURM in 2002 to AMRUT and Smart Cities in 2014, India has undertaken various schemes to implement reforms in urban governance. The main aim of these reforms is to ensure good governance through improved service delivery and inclusive development. Good governance is characterized by sustainability, equity, efficiency, transparency, accountability, civic engagement, citizenship and security. These norms are interdependent and mutually reinforcing. UGI serves as an effective tool to assess the current status of urban governance taking into account the local context.

SUB-INDICES

EFFECTIVENESS	EQUITY	PARTICIPATION	ACCOUNTABILITY
<ol style="list-style-type: none">1. Local government revenue per capita2. Ratio of actual recurrent and capital budget3. Local government revenue transfers4. Ratio of mandated to actual tax collection5. Predictability of transfers in local government budget6. Published performance delivery standards7. Consumer satisfaction survey8. Existence of a vision statement	<ol style="list-style-type: none">1. Citizens' charter; right to access basic services2. Percentage of women councilors in local authorities3. Pro-poor pricing policies for water4. Incentives for informal businesses	<ol style="list-style-type: none">1. Elected Council2. Selection of Mayor3. Voter turnout4. Public forum5. Civic associations per 10,000 persons	<ol style="list-style-type: none">1. Formal publication (contracts and tenders; budgets and accounts)2. Control by higher levels of government3. Codes of conduct4. Facility for citizen complaints5. Anti-corruption commission6. Disclosure of income/assets7. Independent audits

BENEFITS OF UGI

- 1. EVIDENCE-BASED PLANNING:** UGI is an extremely helpful tool for governments to carry out evidence-based reforms. The tool can assist elected representatives and executive to analyze the gaps in governance objectively, plan and strategize to address specific gaps, channelize resources in the correct manner and understand progress of reforms by tracking UGI indicators over a period of time.
- 2. MONITORING AND EVALUATION OF POLICY:** The UGI indicators are essential to assess the effectiveness of policies in Urban Local Bodies. They can help in monitoring whether funds allocated for capacity building and development in ULBs are yielding desired results. This periodic monitoring system can be used as a cost-benefit analysis mechanism for the reforms accomplished.
- 3. STAKEHOLDER ENGAGEMENT:** The design of an indicator-based system can help create a platform to involve civil society and private sector in governance. The tool can showcase the State the gaps in current engagement with different stakeholders.
- 4. ASSESSMENT OF ELECTED AND EXECUTIVE:** The indicators can provide an objective account of achievements of local elected leaders (for instance at times of elections) and administrative officials.
- 5. ULB-SPECIFIC REFORMS:** The main unit of analysis for Urban Governance Index study is the Urban Local Body. Thus, UGI can help in identifying vulnerabilities of each ULB in particular and frame policies or bye-laws at the local level to make improvements.
- 6. FISCAL TRANSFER MECHANISM:** UGI is a scientific tool for monitoring and evaluation of performance of ULBs. Thus, States can use annual UGI scores to allocate State funds to various Urban Local Bodies as per their needs. This can help reduce arbitrary or skewed allocation of funds that create islands of plenty in some areas while depriving others.