Local government International Peer Review Toolkit

A **step** by **step** guide to conducting
International Peer Reviews
in local government

Preface

Democratic local government is essential to delivering the Millennium Development Goals (MDGs). In many African and other countries, local government is the sphere of government providing essential day–to–day services such as water, sanitation, healthcare, education and housing. Yet increasing urbanisation is putting ever greater pressure on municipalities.

The Commonwealth Local Government Forum (CLGF) is the organisation in the Commonwealth that deals with local government – shaping policy on what constitutes democratic local government and providing support for local governments to improve their ways of working and services to local people.

At its main conference in 2005 CLGF developed a set of principles as guidelines for local democracy and good local governance which were endorsed by its members in more than 40 countries. These principles are contained in the CLGF *Aberdeen Agenda: principles on good practice for local democracy and good governance*. These principles are helping to guide our members when they look at their own systems and how they can improve.

However, principles are not enough: we need practical ways for councils to measure how they shape up to them and identify where they need to make improvements.

This is the first toolkit that has been developed to do this showing how we can use our international peers to help us measure and evaluate success. Our colleagues in the Urban Councils Association of Zimbabwe and local councils in that country have developed and piloted the actions and advice contained in the toolkit so that it can be used by others in local government embarking on similar peer reviews.

I commend it to you and hope that you will find it useful in your own councils. The CLGF is hoping to support introducing the approach with a number of other countries in southern Africa. We look forward to receiving their and your feedback so that we can continue to develop and improve the toolkit.

I would like to thank the European Union for their support for this project, UN–Habitat for providing the Urban Governance Index and, most of all, the councillors, officers and staff in Zimbabwe, Namibia, South Africa, Sawziland and Germany who have contributed to such an excellent pilot study.

Carl Wright, Secretary-General, CLGF

Forward

In this fast changing world it is increasingly recognised that knowledge sharing is a powerful tool to transform and improve existing and fast becoming obsolete systems of managing organisations. Communities of practice in which practitioners and experts in various fields share new knowledge and skills are complementing hierarchical management systems.

International Peer Review in local governance is carried out in the spirit of knowledge sharing among peers seeking to learn from their experiences. The assessments that peers make are not ends in themselves but the beginning of a learning and change process in which both the foreign partners as well as local stakeholders undertake to assist each other to improve their performance.

This toolkit is a product of practices piloted by 10 local governments, five from Zimbabwe and the others drawn from Germany, Namibia, South Africa and Swaziland.

The toolkit serves as a simple guide and inspiration to other local governments wishing to engage in a process of peer review and organisational learning. Situations will differ from one local government to another, from one region to another and from one country to another. This may require the adaptation of processes suggested in this toolkit as necessary.

The Change Plans that are the outcomes of the process are nothing unless they are acted upon. Expectations of all the stakeholders who have been involved will be high and there must be real commitment to putting the plans into action. The impact of IPR should be evident even after current actors have left the organisation. This can only be achieved if IPR impacts the culture, the operating systems and processes of the organisation.

The toolkit should not be regarded as *sine qua non* for peer reviewing. If it provides some guidance to the practitioners and inspires them to engage in IPR, it will have served its purpose.

Francis Duri, Urban Councils Association of Zimbabwe

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- To define International Peer Review
- To explain Peer Review in the context of local governance
- To state and explain the key principles for successful International Peer Reviewing in local governance

What is an International Peer Review?

In its simplest form an International Peer Review (IPR) is a process in which a local government peer from one country assesses a colleague from another country against an agreed standard of behaviour and/ or performance.

✔ "Peer' signifies equality between the reviewed and the reviewer.

✔ The concept excludes hierarchical types of assessments in which one party is subordinate to the other such as in auditing, evaluation or inspection.

✔ Peer Review is not an inspection; it is a supportive process undertaken by 'critical friends' intended to help a council identify its strengths as well as what it needs to improve.[1]

Definition: "Peer Review can be described as the systematic examination and assessment of the performance of a State by other States, with the ultimate goal of helping the reviewed State improve its policy making, adopt best practices, and comply with established standards and principles. The examination is conducted on a non-adversarial basis, and it relies heavily on mutual trust among States involved in the review, as well as their shared confidence in the process." (Pagani 2002[2])

While this definition focuses on the nation state, it applies equally to local governance.

Why International Peer Review?

Assessment by external peers minimises the effect of 'group think', a phenomenon that can adversely impinge on decision making where a highly cohesive group begins to think inwardly and perceives external forces as threats to its survival.[3] Peer Reviews are usually conducted by institutions that share mutual trust and respect and have the potential of unravelling sensitive weaknesses without creating feelings of hostility or animosity and resistance. The specific objectives of an IPR may include:

- To assist the municipal council being reviewed to identify its weaknesses and strengths
- To assess the level of local democracy and good governance
- To learn from the process and improve performance
- To generate creativity and innovation to mitigate weaknesses
- To promote and create meeting platforms for dialogue and accommodate diversity
- To promote good practices
- To promote International Municipal Cooperation (MIC).

International Peer Reviews have emerged as a strong component of the worldwide Municipal International Co-operation (MIC) programmes. The pilot project conducted in Zimbabwe was a realisation that the IPR concept needed to be explored and tested in local government. This toolkit is a product of the experiences gained through the pilot project. It is intended to help others carry out similar international peer reviews by drawing on the experiences of the local government partners involved in international peer reviewing in the pilot, synthesizing these experiences into a framework that provides a guide to other local governments in their endeavour to develop symbiotic relationships for change and improvement.

Types of Peer Review

Peer Review (PR) can be applied in several ways and at different levels. It can be applied at the individual, sectoral /departmental/ institutional/ organisational or national levels.

At the *individual level,* counterparts appraise each other's standing in the organisation. Peer Review involves a person getting feedback on their work from colleagues. For a comprehensive feedback, an individual may opt to involve all the people he or she has contact with at work. It provides insight into how a person works and behaves and can be used to identify learning needs.

PR can be carried out at *departmental level.* Often it is not the entire organisation that encounters challenges that require PR assistance. For example, persistent problems in water supplies and sanitation department could benefit from international or in-country counterpart IPR. IPR at sectoral or departmental level has the advantage of utilising relevant peer experts to focus exclusively at one area. This may increase the probability of developing effective solutions driven by in-depth knowledge and expertise held by peers in similar department at the reviewing organisation.

At the *organisational level,* PR can be conducted between local governments in the same country or involving international partners.

This toolkit focuses on *International Peer Review* (IPR) in which foreign partners engage in a learning process to assist one another to improve on their governance. The IPR is conducted by teams comprising both local politicians and professionals. The IPR also engages various stakeholders involved in local governance, including civil society, commerce and industry and the general public.

At the national governmental level, Africa has taken the initiative to embark on a Peer Review Mechanism involving country to country reviews. The programme is currently undertaken under the auspices of the New Partnership for Africa's Development (NEPAD). African countries believe that through sharing experiences and assisting one another to identify challenges they can significantly improve on development on the continent. The programme has already started and seems poised for success.

Basic principles for International Peer Review in local governance

The pilot project showed that some of the basic prerequisites for success in local governance international peer reviewing are:

✔ Peers must be compatible and comparable. They may differ in magnitude but should as far as possible be similar in nature to provide the basis for sharing comparable experiences.

✔ Peers must share broad understanding of local government systems.

✔ The principle of mutual benefit should guide the process to ensure that both IPR partners benefit from undertaking the process, learning from each other's experiences.

✔ The principle of volunteering is important to ensure that IPR partners volunteer to participate in the process.

✔ An environment that encourages free expression of views without fear or favour.

✔ Top leadership support and commitment to the whole process.

This toolkit provides a practical guide to other local authorities wishing to engage in IPR. As IPR is replicated in other authorities, more experience will be gained to improve this toolkit. The toolkit should be viewed as a flexible guide that provides general indicators on what needs to be considered in peer reviews rather than a rigid set of instructions. Situations will differ from one local authority to another requiring flexibility, adaptation and innovation.

Understanding International Peer Review	
CRITICAL SUCCESS FACTORS	
Do all your members understand what Peer Review means?	Peer Review – the systematic supportive assessment of the performance of a local authority by another with the ***ultimate goal of helping the reviewed local government improve its policy making, adopt best practices.***
PR implies learning and organisational change: is everyone prepared to change?	The success of PR depends on the acceptance of the need for change and acceptance of a culture of good governance. Peer Reviews have the potential of unravelling sensitive weaknesses without creating feelings of hostility or animosity and resistance. IPR is carried out on non-adversarial and non threatening basis, and it relies heavily on mutual trust among partners. IPR can help minimise the effect of 'group think'- inward thinking and a perception of external forces as threats.
PITFALLS	
Being defensive negates the objectives of PR	
Treating your peer as a subordinate	
Peer Review is not an inspection, it is a supportive process.	

Step 1

Establishing indicators of a healthy local democracy: building national and local consensus

Step 1 objectives

- To identify and describe essential steps to follow in building consensus on indicators for healthy local democracy
- To explain the steps in identifying the local stakeholders in the consultation process for the development of the IPR framework
- To explain the process of choosing international partners for IPR
- To explain the process of conducting the national workshop on building national and local consensus on what constitutes a healthy local democracy.

Step 1 covers the groundwork to be carried out before conducting IPR. It explores how to build national consensus on the key elements that constitute healthy local democracy that form the basis for IPR through running a national consensus-building workshop. This national consensus-building on good governance is also informed by international conventions and understanding as well as by national cultures and specific contexts.

At the local level, we suggest the initial processes that are necessary in building the base for IPR. The major objective of this stage is to establish a framework for measuring local democracy by answering the question: What are the indicators of a healthy local democracy?

The outputs of this step will be:

- The setting up of the local stakeholder group
- Reviewing peers selected
- A framework of indicators of healthy local democracy.

Step 1.1
Who to Involve

There are a wide number of stakeholders to involve in determining indicators of healthy local democracy at national level.

The consultations should, at a minimum, engage with representatives of:

➤ Local stakeholder groups
➤ International peer partners
➤ Central government
➤ National associations of local government
➤ Local governments: the mayor, councillors, senior council executives
➤ Local government experts – practitioners and academics.

Step 1.2
Identifying the local stakeholders

Clarkson (1995)[4] defined stakeholders as persons/groups that have or claim ownership rights or interest in an organisation and its activities, be they past, present or future. Research has shown that stakeholders are key to the success of an organisation. Identifying the key stakeholders is crucial for the success of the entire IPR process. It is essential for policymakers (council) and officials to understand the reason for identifying and working with stakeholders. Misguided notions of political allegiances in the selection of stakeholders could negatively impact achievements at later stages.

The purpose of the identification and selection of local stakeholders is to:

• Establish a representative consultation framework for the council
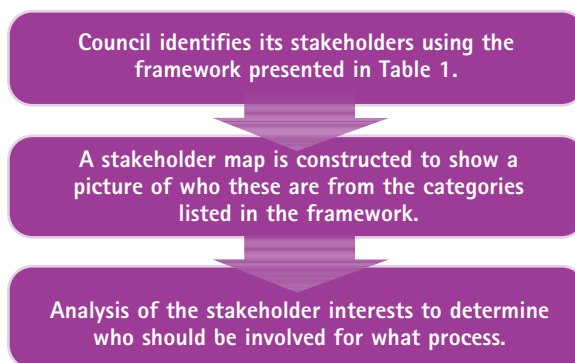
Table 1. Stakeholder identification model (adopted from Clarkson 1995)

Primary stakeholders	Councils' stakeholders
The key groups of people who interact with the council and are important in that their continued participation is required for the organisation's survival.	• Ratepayers/residents association • Employees • Customers • Private sector • Suppliers
Public stakeholders	**Councils' stakeholders**
These provide the infrastructure and legal framework for the organisation to operate.	• Government • Central Bank • Revenue authority
Secondary stakeholders	**Councils' stakeholders**
These are influenced or are affected by the organisation but are not engaged in direct transactions.	• Media • Special interest

• Set up a reference group for testing appropriateness of council policies, for example, during IPR, and

• Provide for the establishment of working teams to formulate and implement change plans.

Stakeholders are important in the entire process hence councils should identify their stakeholders at each and every stage and involve them. At the initial stage of determining the indicators of healthy local democracy it is important to involve the local stakeholders through consultations and participation in the national workshop to agree on the indicators.

Stakeholder selection process;

> **Council identifies its stakeholders using the framework presented in Table 1.**

> **A stakeholder map is constructed to show a picture of who these are from the categories listed in the framework.**

> **Analysis of the stakeholder interests to determine who should be involved for what process.**

The stakeholder analysis will yield:

• Useful information about those persons and organisations that have close interest in local governance

• Information on stakeholders that can be used for other important governance processes such as on-going consultations on decisions, engaging citizens in change programmes and in consensus building processes.

This should be a continuous process throughout the peer review process.

It is advisable that the same stakeholders be used throughout the process for continuity

The list of stakeholders applicable will vary from country to country. Table 2 gives a typical list of local stakeholders.

Table 2: A typical list of local stakeholders.

• Ratepayers / residents association
• Civil society
• Private sector
• Chambers of commerce and industry
• Junior council representatives
• Disabled persons associations
• Associations of people living with HIV and AIDS
• Journalists associations
• Religious groups – Christian and non-Christian churches
• Representatives of traditional healers
• Captains of industries, small and medium enterprises, informal and cross border traders.
• NGOs and development partners

Checklist – stakeholder selection
✔ The stakeholders selected should be a representative cross-section of the whole community.
✔ The cross-section needs to be fit for the purpose; eg. in Zimbabwe ensuring that there was bipartisan representation was more important than multi-ethnic representation – be inclusive is a good rule of thumb.
✔ Ensure a spread that is as spatially (geographically) representative as possible.
✔ Consultations local government experts who are not themselves stakeholders before making selection.

Step 1.3
Choosing international peers

In preparation for the IPR process and the national consensus building workshop, the council must select its partner for the peer review. In selecting a partner for IPR the council should take into account;

- Using an **existing partner** of the municipality to carry out the IPR. The advantage of this approach is that the partner is familiar with the environment and may, thus, not require much acclimatisation. However, this can also be a weakness in that the friendship may be so strong that the reviewers may not be willing to disappoint. This weakness may be countered by peer preparation through training (see below).

- Where no suitable partnership already exists and a reviewer has to be sought, the **national or regional association** of local governments can play a crucial role in the matching and selection of IPR partners.

- **International local government networks** such as the Commonwealth Local Government Forum (CLGF), the United Cities and Local Governments (UCLG) and its regional partners, Metropolis, and others could also assist in this process.

Some key factors to take into account in establishing a partnership are:

✔ Peers must be *compatible and comparable*; the scope of responsibilities undertaken by the peers should be comparable

✔ The *level of decentralisation* in the partner countries should not be radically different as to make comparison of functions redundant

✔ The principle of *mutual benefit*; both IPR partners should benefit from the process, learning from each other's experiences

✔ The principle of *volunteering* - IPR partners should volunteer to participate in the process rather than be handpicked or coerced by some higher authority

✔ An *environment that encourages free expression of views*: the success of IPR depends on mutual trust, confidence and the free expression of views.

The partners should make an agreement to:

✔ Both participate in the IPR process
✔ Undertake the reviews in an open and forthright manner
✔ Participate in follow-up support initiatives.

Once the partnership has been identified and the necessary protocols have been agreed, it is important to involve your partner in most of the processes leading to the IPR.

Step 1.4
The national consensus-building workshop

Consultations on consensus building on good local governance could, ideally, be led and organised by the national association of local government in the country. The focus of this consultation is the national workshop for consensus-building on what constitutes the indicators of local democracy.

The stages of this process are:

Consultations with councils and local stakeholders on what constitutes healthy local democracy

Before developing the National Workshop background/concept paper, there should be consultations with councils and their stakeholders on what they think constitutes healthy local democracy. This is done by the national association of local government.

Developing the workshop background concept paper

To guide discussion during the workshop a background paper should be developed by the national association following preliminary consultations with experts on local governance, central government the various councils and their local stakeholders. A literature review should include work carried out by the UN-Habitat on Urban Governance, CLGF Principles of Local Democracy and NEPAD.

The background / concept paper could contain;

• Practices elsewhere, in developing and developed countries

• Recommendations on current thinking on dimensions of good local governance and how it can be assessed

• IPR and its value in local governance.

The concept paper should be distributed to all in advance of the commencement of the consultations to facilitate study.

Running the workshop

It is essential that the workshop is facilitated by trained facilitators who are capable of harnessing the contributions of all participants and direct the workshop towards the achievement of the intended goals.

The workshop setting should be one that allows free flow of ideas minimising dominance by some individuals. The sitting arrangement should signify equality among participants.

The key elements to include in designing the format of the workshop are:

- **Designing the process**
  Explain the design of the proposed process to participants and get their approval. At this stage participants can suggest modifications to the proposed process, set the ground rules including participant behaviour. A consultative process is, thus, established right at start of the workshop. This shows commitment and seriousness to ensuring that the outcome is a result of a consultative process rather than an imposition.

- **Participants expectations**
  Give participants the opportunity to express their expectations of the process of developing the guidelines on good local governance and expected outputs.

- **Participants' perceptions of local governance**
  Local governance as perceived at the national level, its perceived strengths and challenges. This is an initial step in breaking down communication barriers and creating a feeling of 'being heard' which tends to encourage participation later in the programme.

- **Current trends and thinking**
  An expert presentation of the draft concept paper, of current trends, debates and thinking on good local governance. This session/s helps participants to develop a thematic frame in which their own initial perceptions are accommodated or, in some instances, better understood, confirmed, reframed or even dispelled.

- **In-depth discussion**
  To raise key issues, develop coherent themes thoroughly examine possible options and develop agreed positions. Internationally acclaimed positions should be thoroughly discussed in the context of national cultures and practices.

- **Reaching consensus on the indicators**
  Through discussion and elaboration of alternatives, verification of scientific facts and factoring of national contexts, the group agrees on the content of good local governance and how it can be implemented. Eventually, agreement is reached on the dimensions of good governance through consensus building.

The workshop coordinators produce a revised local governance concept paper clearly defining the agreed dimensions and indicators. This forms the basis of the framework for the International Peer Review. An example of a typical International Peer Review Framework is given in Appendix 1. Appendix 2 gives a checklist for workshop facilitation.

Step 1.5
Outputs of the national workshop on consensus building on indicators of healthy democracy

The outputs from the national workshop are:

- A *local democracy framework* which sets the Peer Review Framework for the IPR (see Appendix 1 for an example of a comprehensive IPR Tool)

- *Improved understanding* among participants of the concept of local governance and shared understanding of what constitutes good local governance

- Participants are exposed to *emerging norms and methodologies* of measuring and enhancing good local governance and democracy.

Step 2

Establishing the baseline using the Urban Governance Index

Step 2 objective

To explore and explain the processes in organising and carrying out assessment of good local governance practices based on UN-Habitat Urban Governance Index

Before conducting IPR it may be helpful for the local authority to carry out a self-assessment based on internationally recommended criteria, the Urban Governance Index (UGI). This is a way of assessing governance developed by UN-Habitat.

Step 2 describes how this UGI assessment can be used as background information for the IPR process. We do not describe in detail the UGI process (this is fully described at http://www.unhabitat.org/downloads/docs/2232_80907_UGIndex.doc. and reproduced in Appendix 3). Step 2 looks at the potential value of the results of the UGI which provides a baseline on which local government and its stakeholders can compare and measure future improvements that are made as a result of the IPR.

This self-assessment also gives the council a chance to prepare the council members and staff and its stakeholders for the actual IPR. It provides an excellent platform for breaking barriers between the council and its stakeholders. It creates a platform for the free expression of views on various local governance matters and a structured discussion on the governance of the city.

Step 2

The outputs of this step will be:

- An indication of the health of local governance according to the UGI indicators.

Step 2.1
Urban Governance Index tool

The UGI provides systematic information on the urban governance status. The UGI can also be used as a validation tool in order to avoid reliance on IPR alone.

2.1.1 Who is involved?

The UGI assessment may be undertaken by the following;

✔   All stakeholders as identified under Step 1.
✔   The Mayor
✔   Councillors
✔   Council departmental heads

2.1.2 Constituting the local stakeholder group

The Local Stakeholder Group (LSG) is a team that represents the key interest groups in local governance for the purpose of fostering collaboration between the formal council system and the local community. The LSG selected in Step 1 will be used.

Step 2.2
Running the UGI assessment workshop

The process of conducting a UGI assessment is well described in UN-Habitat literature mentioned earlier. Here we emphasise some of the important elements of the process of running UGI.

2.2.1 Before conducting UGI: understanding the tool

The purpose of this stage is to ensure that all stakeholders appreciate and understand the Urban Governance Index tool that will be used in the self-assessment. The following processes should be undertaken to brief the participants;

✔   Two weeks before the workshop the UGI spreadsheet and guidelines should be sent out to the UGI workshop participants. These should be sent with a brief of what the assessment entails and what the participants are expected to do.
✔   On the day of the assessment, the first session should be devoted to a briefing session which should be carried out by a qualified facilitator who is also well versed in how the tool is used.
✔   Participants should be informed of the purpose of doing the UGI, and how the local process will operate.
✔   At the end of the briefing session participants should clearly understand and be able to explain the purpose and process of applying the UGI in the self-assessment process.

The great value of the UGI is that it invites the participants to enter into a structured discussion about the governance of their city. Ensure that:

✔   Information that is not available to the public is presented to the workshop in an interesting way;
✔   The workshop interests and engages all participants;
✔   Comments are invited on every indicator possible.

Appendix 4 is a list of indicators and suggested questions that can be used to invite comments.

2.2.2 Duration of UGI assessment workshop

The event will take a morning of workshop, an afternoon of gathering responses to the questions that arose, and a second morning of workshop to review and bring together the findings and conclusions.

UGI assessment workshop: summary

- Make sure the workshop involves the right stakeholders
- The local government association should support the council in the preparation for the event
- Make it an interesting event, facilitate dynamically and interest everyone in the process
- Facilitation must encourage high participation which is inclusive and ensure equal opportunity to be heard; especially minority views must be heard and adequately attended to
- There must be consensus on the conclusions arrived for each dimension

Refer also to the checklist *Running Workshops* in Appendix 2.

Step 2.3
Submitting findings to UN Habitat

The findings are recorded on specially designed data sheets. The completed data sheets with the findings are then submitted to UN-Habitat. UN-Habitat processes the results and interprets them scientifically to determine the score under each dimension.

UN-Habitat will provide feedback giving the score under each dimension. The score indicates level of achievement.

Step 2.4
UGI results report back

The council then prepares a comprehensive report detailing the processes of the UGI, the findings and the UN-Habitat feedback as a permanent record for circulation to all interested parties – the Local Stakeholder Group, council officials, the general public, the wider groups represented by the stakeholders, central government, the national association of local authorities.

The results and UN-Habitat feedback should:

- be tabled at a **full council meeting** for information and planning the way forward
- be presented to the same **local stakeholder group** at a meeting convened for that purpose. The meeting should consider:
    - A presentation of the results of the UGI
    - Discussion on how to improve on weaknesses
    - How to strengthen the positives
    - Allocation of responsibilities for the tasks.

Step 3

Conducting the International Peer Review

Step 3 objectives

- To be able to undertake all planning steps in preparation of IPR
- To be able to organise the process of IPR
- To be able to conduct IPR
- To prepare a report on findings.

Step 3 describes the key components and steps in planning, organising and carrying out International Peer Reviews. It looks at some of the practical issues that may arise in organising and conducting IPR: facilitating interaction between peers from different countries has some challenges requiring elaborate logistical support for travel and hosting and an understanding of the cultural and social dynamics and their implications.

Good planning and organisation is crucial. A poorly organised IPR is more likely to yield poor results and consequently poor advice. Mayors, the key participants in local government IPR, usually have very busy work programmes that may necessitate frequent changes to IPR programmes. The art of organising IPR is sensitivity, tact and flexibility to adapt to changing situations.

The outputs of this step will be:

- The advice and recommendations of peers for changes which, when implemented, will lead to improvement in local governance.
- Indication of the status of local democracy through the IPR report.

Step 3

Step 3.1
Planning and organising the IPR

Good planning is critical to the IPR process. It entails looking ahead to visualise the whole IPR process, to identify the necessary elements and activities for success, to estimate and mobilise the resources needed, to develop a programme to carry out the IPR and a strategy to communicate your plan.

3.1.1 Determining what is to be reviewed

The dimensions in the local democracy framework agreed during the national consensus-building workshop give the framework for the IPR. (See STEP 1). This Peer Review Framework should be communicated to the reviewing team to enable them to effectively plan for the review. The reviewing team will develop the appropriate interview guides and any questionnaires as may be necessary. The review team's findings will evaluate the council against these set standards.

3.1.2 The protocol agreement

Once the reviewing partner has been identified, it is helpful to develop a deeper understanding of the relationship.

Both parties to the IPR must commit themselves to facilitating the process to achieve its objectives. To do this the parties must reach an agreement that defines clearly the essential aspects of the IPR. (For the purposes of continuity and institutional memory it is not adequate to base IPR on mere verbal agreement.) This is done through a protocol agreement to guide both parties which ideally should be signed at the highest political level, the mayors.

A typical protocol agreement includes:

✔ Acceptance and commitment to the principles of IPR
✔ Commitment to the ideal to promote good local governance
✔ A definition of the objectives and standards for the IPR that constitute good local governance
✔ A commitment to engaging in a democratic consultative process in the assessment, development and implementation of the agreed change plans
✔ Agreement on who will be the participants in the IPR process, such as, private sector, public sector, civil society, other community groups as well as local citizens
✔ Financial provisions on how the IPR will be funded.

The national association of local governments could assist in the formulation and brokering of the protocol agreement.

3.1.3 The IPR teams

International Peer Reviews will involve different types of people depending on what the goals and targets of the review are. However we provide here some guidance on the composition of IPR teams for the process as envisaged in this toolkit.

The reviewing peer city team

The delegation from the visiting peer city that will conduct the IPR will be limited in number due to financial and logistical constraints. Clearly, it would neither be practical, nor desirable to enlist the full contingent of councillors, heads of departments and stakeholders. The suggested small but representative team comprises:

- The Mayor or the deputy mayor
- Town clerk
- An experienced councillor (alderman)
- A key stakeholder or member of the residents association
- A representative of industry or traders
- A representative of a women's group
- Coordinator/ secretarial support.

The host city team

The city being reviewed should consider building a comprehensive team representing all the key actors. The team could comprise:

Local stakeholder group as already identified under Step 1. Stakeholders are key participants in the IPR process. The stakeholder group represents various community and interest groups whose opinions are critical in the review of local governance as they reflect the aspirations, needs and views of a wide section of the local citizens.

The national coordinating unit: IPR requires effective coordination at all levels, including at the national level. This is necessary to ensure that back-up support for coordination with national government, peer training and process facilitation is available. The national association of local government usually assumes these critical roles.

The municipal council team should include:
- The mayor
- All councillors
- The Town Clerk
- All departmental heads
- Project coordinator
- Secretarial support service

3.1.4 Operational and management structures

The host city should have clear management structure and responsibilities for carrying out the Peer Review.

The mayor/council chairperson: The mayor or council chairperson communicates policy decisions to his/her counterpart in the other municipal council. Usually, the mayor or chairperson exercises substantial delegated powers to deal with various issues, including IPR. It is at this level that the partnership begins to be translated into tangible concrete actions.

The management team is composed of technocrats chaired by the Town Clerk / Chief Executive or an officer designated to act on his or her behalf. This team:

- considers all policy matters requiring higher decisions and makes recommendations to the IPR Management Committee, the Council and/or the mayor
- makes decisions on operational matters delegated to the committee
- provides backstopping support and assistance to the coordinator in dealings with senior council officials if they impede the coordinator's efforts.

The IPR coordinator is responsible for managing all day-to-day administrative and logistical tasks relating to the IPR. In particular:

- identifying all the required resources – human, material and financial
- providing technical guidance to the management team
- organising all IPR meetings and preparing the agenda and recording of minutes of meetings relating to IPR such as meetings with stakeholders, management team, management committee, joint meetings and others
- preparing the IPR budget
- organising visits by peers, including all related logistical matters
- making recommendations on IPR matters requiring higher level decisions
- communicating with counterpart officials in the partner municipality to ensure effective coordination of IPR processes.

Facilitator: Due to the complexity of the meetings to be held by the visiting peers with various groups, a trained and experienced facilitator with mediation skills is essential. The facilitator, who should be neutral, ensures that:

- meetings are conducted in a manner that enables free expression of views
- meetings are orderly and respectful
- fairness is exercised in giving participants opportunity and time to express their views
- scheduled times are adhered to as far as is practical
- all matters requiring deliberations are tabled and dealt with.

This role could be undertaken by the national association.

3.1.5 Resources for the IPR

IPR requires significant human and financial resources for its success. It is essential to carefully plan how the IPR will be resourced. Resources are required for:

Fig 1: International Peer Review: planning and management structure
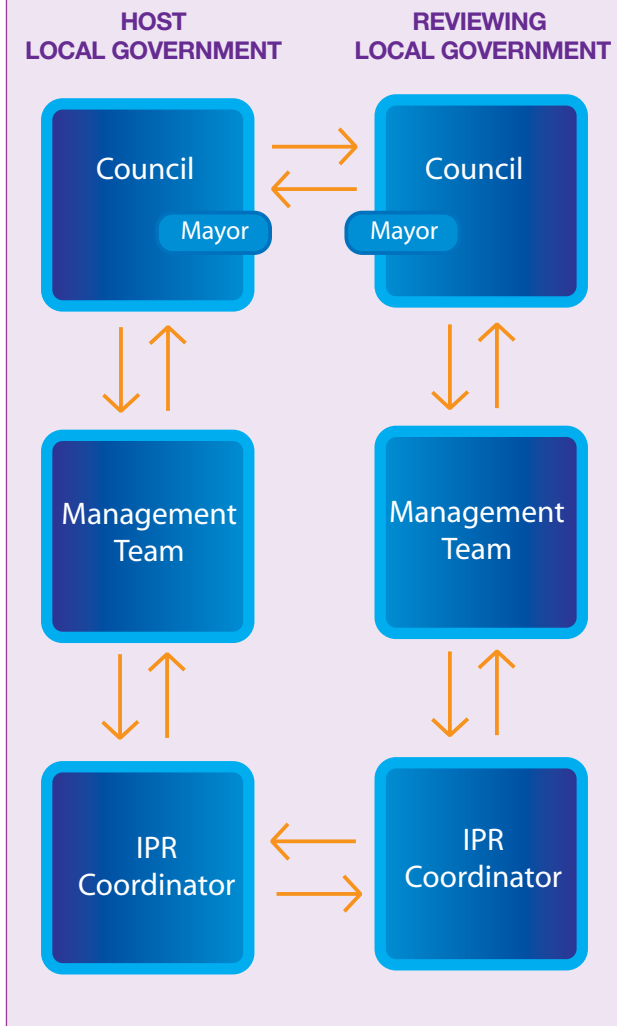
- Personnel costs for the organisation, planning and implementation of the IPR process
- Production of preparatory documents, reports and other materials required for the IPR
- The costs relating to the visit by peers, including, travel, local transport, hotel accommodation and entertainment; and
- The implementation and monitoring of Change Plans.

It should be clear from the outset how these costs will be met. If external funding is required, this must be agreed with the donor and secured prior to the start of the IPR.

3.1.5 Preliminary consultations with peer partners

This stage of planning primarily focuses on building consensus, internally within the host city and with the external peer reviewing city.

Step 3

Identify a focal point
for the programme and the responsible official

Preliminary discussions: partners must discuss the nature of the challenges facing the local authority requesting the IPR to focus thinking around the key issues; these preliminary consultations, ideally, will be by telephone and/electronic mail to facilitate direct dialogue, to begin breaking barriers among counterparts – mayors, town clerks/ chief executives, organising secretaries, etc.

Scoping: partners loosely define the scope of the review and agree on a tentative period and programme for the actual review; there will inevitably be regular exchanges on these matters especially to agree on dates and IPR programme. It is important to allow flexibility especially the possibility of changes of dates.

Step 3.2
Starting the IPR

3.2.1 Finalise the programme and documentation

As consensus is built and the exact duration of the IPR agreed, the programme is developed and finalised.

The key documents to be prepared are:

A *programme profile:* this details the work to be undertaken, allocates responsibilities among relevant personnel and develops a schedule of key activities.

A *package of information* to give the reviewing partner. The package may include, but is not limited to:

- Current strategic plan for the council
- Council brochure providing the council's profile, structure and composition
- Annual and other periodic reports
- The Council budget
- IPR Framework document
- A sample of recent council minutes, minutes of meetings with stakeholders (if any),
- Urban Governance Index report
- Samples of correspondence between the council and the parent ministry and with stakeholders.

This package should be sent to the reviewing partner before any visits.

3.2.2 The official invitation

The preliminary consultations should have led to a consensus on the conduct of the IPR. At this stage, some rapport should have been established between key counterparts and the partners will have agreed tentative dates for the review.

Before any visits start, to formalise the process an official invitation should be issued according to local protocol requirements. This is usually signed by the political head of the city, usually, the mayor or executive mayor.

This official invitation should include:

- A brief description of the problem area
- The acceptance of the council to the IPR and willingness to engage in serious dialogue to assist the city address its challenges (the protocol agreement)
- A tentative programme for the IPR
- How the IPR will be funded
- Tentative travel arrangements, accommodation in host country and other logistical arrangements relating to, for example, visa and other immigration requirements, expected weather during the IPR, and a brief profile of the city.

3.2.3 Peer training

IPR is a special technique that should be well understood by both the reviewers and the reviewed. Experience during the pilot programme pointed to the need to ensure that the whole team engaging in the process, including councillors, council officials and stakeholders should be adequately informed on the merits, objectives, methodology and implementation of PR. It is therefore advisable to run a training session before any visits take place.

The training session, which may be carried out separately for the reviewing peer group and the group being reviewed, should cover:

- ✔ The meaning of peer review
- ✔ What may necessitate peer review
- ✔ The ethics and values of peer review
- ✔ The dimensions of peer review and the issues raised in peer reviews
- ✔ Peer Review reporting
- ✔ Peer Review as a learning tool.

Checklist – internal communications
✔ Compile a list of all contacts and keep it up to date
✔ Ensure that all those involved in IPR receive a clear, consistent message of the purpose and scope of the review
✔ To avoid duplication, omissions and confusion ensure that everyone knows the roles of the various actors in the IPR – who will be responsible for what
✔ Coordinator keeps the whole group briefed, with considered and well-presented materials to prepare for the IPR
✔ Coordinator circulates regular updates on progress
✔ Coordinator should read the materials that the other group members produce (heads of departments, mayor, peer city, national association, etc) and arrive at meetings and workshops well-prepared to support and guide discussion.

Step 3.3.
The IPR programme

This section describes some of the key components of an International Peer Review Programme. It does not elaborate on details as these will vary from situation to situation. It is most unlikely that one International Peer Review Programme will be identical to another as particular circumstances will impact on the specific details as required locally.

3.3.1 Receiving your partners

Arrival formalities may seem trivial, however, the very first impressions are crucial in determining the social relationship that will develop. Engagement with partners begins immediately upon their arrival at the airport or some other terminal in your city. Visitors need to feel welcome and this process of creating a 'good' feeling should start immediately upon arrival.

Some points to note are:

✔ Peers should be received by senior council officials befitting the protocol requirements observed in the country

✔ Where necessary senior council or government officers with the appropriate authority should assist peers with immigration formalities

✔ Adequate transport should be made available to ferry peers to their hotel immediately following immigration and customs clearance and welcome by the assigned officials

✔ Peers should be given information packs as they check in at their hotel: this pack could include a copy of the documents sent to the partners in advance, a new detailed programme for the IPR, and the necessary stationery to conduct the review. Ideally, the information pack should be addressed to the individual so that it has a personal touch.

The first task after the arrival and settling in of your visitors is to present, discuss and agree the final programme for the IPR taking into consideration last minute changes and events that may have occurred in either camp that affect the originally agreed programme.

3.3.2 Press conference

It is helpful and essential to have a press conference at the start of the IPR process to inform the media, and through the media the general public, about the activity. The press conference should introduce the visitors and highlight the objectives of the IPR, the expected results and how these will benefit the municipal council.

The mayor/chairperson of the council would also take the opportunity of using this opportunity to publicise an invitation to interested persons or groups to be involved in the review by giving written contributions to the peers and where practical, oral presentations.

3.3.3 Data gathering techniques

The agreed Peer Review Framework that provides the indicators of a healthy local government environment and the standards that a local authority should aspire to achieve is the main tool for data gathering.

The process of peer reviewing demands the application of several research methods in data gathering, sometimes simultaneously. Peer reviewers could collect data using any or all of the following methods:

Documents review: the host makes some documents available as part of the preparations for the review. However, the peers are not limited to these and can request additional documentation in order to substantiate claims or obtain further data as may be necessary - documents such as audit reports, tax returns, minutes of meetings (council, with stakeholders and other bodies, tendering papers, gender policy documents, housing lists, occupancy lists for informal settlements, etc).

Meetings and workshops can be organised to gather information in public settings. They are especially useful when gathering group opinions and perceptions. In order to maximise the benefits of meetings and workshops for data gathering purposes, it is recommended that a qualified facilitator is used to ensure that the sessions are conducted in a professional manner.

Interviews can be held on a one-on-one basis or with groups. Interviews have the advantage that the interviewer takes the lead and largely controls the information elicited. Peers can also carry out 'walk-about' interviewing as they meet ordinary residents and discuss with them issues pertaining to their study. This contributes to minimising the effects of 'stage-managed' interviews in that the method elicits information from unsuspecting persons.

Questionnaires are used where it is desirable to obtain certain information in a structured way or in cases where the peers may not be able to meet respondents directly, questionnaires can be a useful tool to obtain data. The major weakness is their low rate of return: many people simply do not respond to questionnaires.

Participant observer: peers may choose to participate in any events at which desired information may be acquired through observation. Attendance of public meetings may yield insight into how people feel about certain council activities.

Table 1 overleaf highlights some useful cues for the review process.

3.3.4 Data gathering activities

To facilitate data gathering, the host city should organise the following activities:

Step 3

Getting to know the council briefing
(Allow 3 hours)

This session is to provide succinct information on the operations of council. Departmental heads make presentations on their key functions, the set up of their departments, key emerging challenges faced and how they are addressing them.

The session should provide the peer with a comprehensive perspective of:

- The major thrust of the city's activities and its vision
- How the city is organised in order to achieve its objectives
- The key challenges faced by the city

Table 1: Getting to the root of the challenge	
To the reviewer	**To the reviewed**
Study the documents provided by your partner city	Provide the reviewer with as much relevant information as possible
Prepare your interview guide in advance	
Ask probing questions to elicit detailed responses – get the story	Be truthful in your responses – your peer can only help if he has the correct picture
Probe for evidence for assertions made	Be willing and ready to show evidence of city practices
Be friendly – induce openness	Show trust - be open
Devote adequate time for discussion during	Allow flexibility in programme – there will be session spill over.
Your mission is to help your peer to change	Be prepared to change – it is pointless seeking peer assistance when you remain rigid
Learning requires that one's experiences are clearly analysed and understood	Being open minded greatly enhances self assessment and critique
Your orientation should be focused on getting your peer to understand what the city's challenges are and assist in creating an understanding of why	Learn how to learn – Use your experiences to develop new hypothesis for corrective action
Follow-up and encourage your peer to follow-through their proposed agenda for change	Make your 'change plans' *yours* for implementation – not theirs

- The initiatives already in place to address the challenges
- From the perspective of the city administration, how the city has been addressing the key dimensions of the IPR.

Peers can take the opportunity to seek clarification on any matters of interest.

City tour
(Allow 3 hours for the tour)

Take the peers on a tour of the city in order to 'see and learn' from real situations. This visit should take them to key facilities such as water treatment works, city halls (where meetings are held), council-run schools, council-run clinics and hospitals, refuse disposal dumps, fire brigade facilities, the main types of residential areas (high density, medium density and low density) and including poor areas such as slums. The purpose of this visit is to provide the reviewer with a wider picture of the city, its best and its worst.

Meet the stakeholders
(Allow a full working day)

Peers meet the stakeholders that were identified in Step 1. The meetings could be scheduled for separate meetings with different groups or where desired in appropriate combinations.

These meetings provide peers the opportunity to cross check information provided by council officials as well as solicit their responses on the key dimensions of the IPR.

3.3.5 Reporting the findings

Preliminary report writing
(Allow 4 hours – morning session)

This session is for peers, on their own, to review their findings and prepare a preliminary report. This report should include:

- A summary of the data collection sources and methodologies employed
- The standards under each dimension that the PR sought to confirm
- The findings against each dimension, highlighting the successes and challenges
- Preliminary recommendations on how the city, together with its stakeholders could adopt to alleviate the challenges and strengthen the successes.

Report to the leadership: consultations
(Allow 2 hours)

This session brings together the leaders of the visiting and host peer teams to review findings prior to presentation to the wider group. It gives leaders, the mayor and town clerk, the opportunity to discuss in-depth the issues raised and to prepare for the report

back meeting. Effective but constructive ways of presenting any sensitive issues are discussed and formulated. It is recommended that this session is carried out in the spirit of a 'no-holds barred session' in which peers advise their partner city and learn from the process. This will be dealt with more comprehensively in the next chapter.

Preliminary findings presentation
(Allow 3 hours)

The session brings together all participants in the IPR process – council officials, councillors, various stakeholders and the peer reviewers – and should be chaired by the leader of the peer reviewers' team.

The session should share the findings of the peers with the wider group, clarify issues and solicit innovative ways to address the challenges. The leader of the peer reviewers presents the findings of his/her team. This session is crucial in building solidarity among the various participants and should:

- Objectively raise challenges to the surface in a transparent but responsible manner
- Encourage debate in an open, non-threatening manner encouraging contributors to address issues rather than personalities
- Strive towards finding solutions rather than consolidating positions held prior to the review. It should aim for win-win outcomes
- Culminate in agreed positions or the desire to pursue discussions at a later but specific date.

3.3.6 Final press conference
(Allow 30-45 minutes)

A press conference should be held at the end of the process with the visitors, the mayor and other senior officials and representatives of stakeholders. The conference should brief major and local news agencies about the IPR, its key findings and how the city intends to proceed with considering the IPR recommendations and how it intends to ensure public participation in a democratic process to develop change plans for the city.

3.3.7 Final review meeting

The council officials and their peers should hold a final meeting to summarise the findings of the IPR and develop a programme of action to take the initiative forward before they leave.

Step 3.4
Preparation of final report

The final report is usually prepared after the visiting peers return to their local authority. Sufficient time should be allowed to adequately assess the issues and findings during the visit and prepare a comprehensive report to assist their peer council.

An example of the outline contents of a report is given in Appendix 5.

Step 3.5
Adoption of report by the council

The report detailing the proceedings of the IPR and its findings is presented to the council for noting and adoption.

Council examines the findings and makes decisions on the substantive recommendations of the report.

In light of the participatory approaches now adopted, the second stage of the decision making should be undertaken after full consultation with stakeholders and wide consultations with the citizens has taken place.

The council should:

- Consider each recommendation and make decisions on how to proceed
- Consider the democratic processes required in order to improve governance and decide on how to implement the changes
- Develop a permanent framework for working with the community, including a joint monitoring committee for the implementation of agreed changes.

This report will form the basis for the change plans discussed in the next chapter.

Step 3

Checklist - conducting the International Peer Review

Be prepared

✔ Do you have approval in writing for the IPR from all relevant higher authorities?

✔ Have the participating partners signed protocols agreeing to and establishing the modalities of the IPR.

✔ Has the official invitation together with all documentation been sent to the peers?

✔ Have you received confirmation?

✔ Have all participants been thoroughly briefed, understand and are ready and supportive of the IPR

✔ Ensure that programme management is overseen by a senior official who can make decisions quickly or have access to those who can.

✔ From the commencement of the initiative there is need for regular up-dating meetings in both the reviewing and the to-be-reviewed camps. These meetings will increase as the programme draws nearer.

✔ Have all appointments, for interviews, meetings, been confirmed? They must never be left to chance!

✔ Ensure that logistics relating to transport for peers, especially, is well managed and that sufficient vehicles are provided for the exercise.

✔ Know your guests: their basic culture, food preferences, etiquette.

✔ When seeking hotel accommodation for your peers, ensure that they are accommodated in reputable hotels and assign council staff to liaise with hotel for any eventualities.

✔ The final programme with all scheduled meetings, workshops clearly indicated with dates and times should be circulated to the whole IPR designated group.

Your peers arrive

✔ Ensure senior council officials, preferably the mayor, town clerk and a stakeholder representative are at the airport/ or some other rendezvous to receive the guests.

✔ Ensure that all the documentation required for the IPR, including documentation sent to peers prior to their coming, is given to them upon arrival – preferably in conference bags placed in their hotel rooms

Interviews and meetings (refer also to workshop checklist)

✔ Ensure that logistics for all meetings/ workshops/ interviews are well prepared for

✔ Ensure that programmed events follow the scheduled times.

✔ Ensure that all open meetings have a facilitator to guide the process and a rapporteur to record deliberations, except where the peers request private interviews

✔ Press conference (pre- and post- assessment): invite press and make clear arrangements on timing, who will be interviewed and duration.

Preparations for departure

✔ Avoid suffocating your guests - allow your guests some free time to attend to personal business, shopping

✔ Confirm peers' air tickets for departure to avoid costly embarrassment for your guests if left stranded at the airport.

See your guests off: "This is mayor Cardiff. Sorry to bother you but as soon as you left the airport, we were advised that we do not have seats on the plane. We did not confirm our flights, so we are stranded here..."

Step 4

Organisational learning and change

Step 4 objectives

To explain the processes and appreciate the value of IPR in:
- Consolidating learning through comparing and contrasting through a reciprocal visit
- Identifying strengths and weaknesses in the governance system
- Formulating corrective actions – learning
- Implementing change plans – organisational change
- Implementing a monitoring and evaluation mechanism

The purpose of International Peer Review is to assist in the improvement of quality of local governance: decision-making and policy development, operating systems, practices, sometimes including organisational culture.

Step 4 involves using the outputs of IPR for organisational learning to create change plans to lead to the transformation of the organisation, not merely rhetoric or tinkering at the edges but real organisational changes in culture, systems and practice. The impact of IPR should be evident even after current actors have left the organisation.

The peer report produced in Step 3 assesses the achievements of the reviewed municipal council against international standards for good governance. In Step 4 the council develops responses to this report by looking at introducing changes in each dimension where it does not fully meet these standards.

The outputs of this step will be:
- Change plans for the short, medium and longer term to lead to the transformation of the organisation. These change plans are probably the most significant outputs of the IPR process to help local government to improve its performance through adaptation and change.

Step 4.1
The reciprocal visit

After the main IPR visit and the submission of the final report, a good way to deepen understanding and consolidate learning is for the hosts to visit their peers and conduct a similar peer review. There are significant advantages to both the reviewing peers and the reviewed council in doing this.

Benefits to the council that was first reviewed:

✔ While reflecting on the findings of their peers, the reciprocal visit allows a direct comparison between their own experiences and those of their hosts. Gaps in performance become apparent.

✔ The reciprocal visit gives the reviewed practical examples of how to improve the way of doing business at home. Whether the reviewing local authority performs better or otherwise, learning is drawn from the ability to compare, contrast experiences and determine better options.

✔ The visit strengthens solidarity between the partners as it introduces a level playing field. Reciprocal peer reviewing means equality between the partners.

Benefits to the first reviewers:

✔ The advantages obtaining to the first reviewed apply to the first reviewer. They also learn from their first visit in that they will have identified both positive and negative learning points.

✔ The return visit exposes their own system to scrutiny, reaping the same benefits as their counterparts. They have the added advantage in that their peers would have gained experience from the first visit and likely better able to identify and interrogate issues and subsequently counsel their partners.

✔ The visit also solidifies the partnership, among council officials and among community members.

This reciprocal visit will give both local authorities further experience and insight into how IPR works.

In addition to the normal feedback, the peers should undertake an all-round review to consider:

• What were the main strengths for both local authorities?

• What were the main challenges for both authorities?

• What are the key differences between the two local authorities and why?

• How can both move towards better local governance delivery?

• How did they perceive the tool used? Was it adequate? Are there desirable areas of improvement?

• What lessons can be drawn from IPR experiences?

• If the exercise were repeated, what would they want changed?

The answers to these questions can yield useful information for improving the local governance practices in both local authorities in addition to the IPR review.

Step 4.2
Developing Change Plans

When both reviews have been completed, the partners should begin the process of learning from their experiences and applying what they have learned in their own environments to develop plans for organisational change.

The development of change plans is probably the most significant outcome of the PR process. It is the culmination of the democratic process involving international partners, various local stakeholders representing different interests in the community city officials and ordinary citizens. These change plans are the means by which the councils will take measures to improve their performance and governance.

4.2.1 Formulating the Change Plans

Formulating change plans in response to the IPR requires a holistic approach involving the municipal council as well as stakeholders and local residents.

In order to strengthen citizen ownership of the process of developing change plans it is essential to involve the stakeholders from the beginning. These stakeholders would have been involved in the review, participating in the various meetings to assess the council's performance.

The IPR findings and the report of the reciprocal visits should be reported back to local stakeholders and caucus group of stakeholders set up (comprising city officials and stakeholders) to consider and propose changes resulting from the peer report.

It is increasingly recognised that knowledge sharing is essential to organisational survival. The city-stakeholder caucus is a knowledge-sharing 'learning community' which shares information and knowledge on good governance and how to improve service delivery. It thus becomes a 'think tank' to transform the city.

The city-stakeholder caucus:

• Analyses the IPR report, identifying the underlying causes of weaknesses revealed by the peers

• Explores solutions to each challenge identified

• Formulates comprehensive Change Plans

• Designs change plan implementation strategies

• Formulates financial plans for the implementation of change plans

• Formulates monitoring and evaluation systems, and

• Organises and conducts city-wide consultations.

4.2.2 City-wide consultation

The IPR is a complex process that may lead not only to visible and tangible changes in the city's way of doing things but also fundamental changes in attitudes and values. It is, therefore, essential that the inhabitants of the area covered by the council are fully informed about the results of the IPR, the on-going consultations

within the city-stakeholder caucus and the plan of action being considered.

The city-wide consultations could be carried out through public meetings, media discussion forums and focused consultations with various community groups representing different interests.

These meetings should;

- Establish plans for improvement
- Prioritise the plans for improvement
- Set out a monitoring structure for the change plan.

4.2.3 Funding the changes

When the changes that are needed have been identified and agreed, sources of funding and means of raising funding must be considered to be able to implement the plans. Otherwise the intentions remain 'paper plans' only. However, some changes will be ones that can be implemented without huge injections of funding.

The ultimate responsibility for funding the agreed changes remains that of the local authority.

Funding options:

- Additional taxes and service charges
- Special levies
- Borrowing – loans from central government or the private sector
- Bonds
- Grants – these can be from various sources: private sector, development partners
- Communities own contributions including labour.

Funds must be properly secured before implementation begins. Incomplete structures that characterise some urban areas throughout the world are a reflection of poor planning, especially, project financial planning.

Step 4.3
Implementing change

The final stage is the implementation of the change plans.

The whole IPR aims at getting local government to improve its performance through adaptation and change.

A sure way of killing participatory local governance is to end the IPR process at the stage of developing the change plans. If no action is taken to implement change plans, it is likely to result in apathy among all participants, stakeholders and local residents. The implementation plan should have a clear timetable indicating when the change is to be introduced, by whom and the budget.

It is strongly recommended that IPR change plans are incorporated into mainstream council systems and processes. For example, the council could incorporate participatory systems in its management. Specific participation methods could be introduced, such as programmed public meetings, scheduled ward report back meetings by councillors facilitated by the council administration, mayor's question and answer sessions

held at specific intervals.

Change plans can be categorised into short-, medium- and long-term so that it is clear how they will be implemented taking into consideration available resources. Incorporating the change plans into the council's budget is of prime importance to give assurance of council's serious intentions to fulfil the agreement.

Some options for implementing the Change Plan are:

The council itself incorporating changes into the way it operates: It is likely that most items of the change plan will be incorporated into mainstream council operations. For example, the adoption of a participatory system of governance requires holding regular meetings and workshops and may have to be incorporated into the operational budget of the council. This may entail developing new systems, hiring new staff and equipment (for example, e-governance equipment).

Involving the private sector: The private sector is increasingly involved in the provision of public goods and services, in some cases, out of public spiritedness and a desire to plough some of the profits back into the community. Where the private sector offers to implement any segment of the Change Plan, it must be on the understanding that it is the council and citizens who set the minimum standards and operational modalities to implement the plan.

Community projects: The community itself may be able to implement some of the Change Plan projects. The community may undertake the project on its own or in partnership with the council or with a non-governmental organisation or with a private sector business.

Involving development partners: Although it is difficult to access development funding, it is a source which councils could consider though the national association. This would entail the national association developing a consolidated local democracy reform programme, if possible jointly with councils, costing and submitting the programme to development partners for funding.

The checklist gives the key points to ensure that planned projects are implemented effectively. An example of a local authority's Change Plan is given in Appendix 6

Checklist – Change plan implementation
✔ What activities and tasks must be undertaken?
✔ What operational processes are required ?
✔ What human resource changes are needed?
✔ information and information systems changes
✔ What organisational changes are required?
✔ What are the timescales for implementation?
✔ Milestones
✔ What are the performance indicators that will form the basis of evaluation?
✔ What mechanisms are required to monitor the progress of the implementation, so that the necessary corrective action can be taken?
✔ Identify and quantify the resources required for: information and information systems, facilities, finance
✔ Project management system

Step 4.4
Monitoring and evaluation

The implementation of change plans should be regularly checked to ensure conformity to the agreed objectives and that targets are being met. Regular reports should be prepared and presented to the council, stakeholders and the reviewing peers giving the implementation status, any challenges being met and how the council is working towards fulfilling its objectives.

4.4.1 Change Plan Monitoring Committee

During the pilot projects all participating municipalities set up Change Plans Monitoring Committees composed of councillors and stakeholders chosen by the council and the wider stakeholder group respectively. This committee monitors and maintains the momentum for the implementation of change plans, and rekindles the new partnership established between the municipal council and stakeholders.

Ideally the monitoring committee will comprise:

* representatives of council (councillor)
* representatives of stakeholders
* representatives of council administration of executive.

The committee regularly appraises the implementation of the Change Plans and recommends corrective action as necessary. In this way, the council mainstreams organisational learning. The cycle of planning, doing, checking and acting becomes a systemic process within the council's management.

Step 4.5
Repeat self-assessment

IPR raises the expectations of communities. These expectations may include:

* Expectations of improved service delivery
* Increased participation in the governance process and a more responsive local authority
* Reduced levels of corruption
* A safer city
* Access to basis services by the poor and more vulnerable groups.

The local authority may also have similar expectations following IPR. It may be appropriate, therefore, to carry out another self-assessment after some period of implementation of the Change Plans in order to check on the achievements of the milestones set following the IPR.

The UGI, described under Step 2 could be applied again to measure progress since the previous assessment.

Ideally such checks should be regularly carried out to ensure that the local authority maintains its image with its citizens and continues to work towards improvement.

Step 4.6
Some limitations of IPR

The hierarchical nature of most organisations, with their inherent status-defined relationships can militate against openness and mutual trust among peers. For example, the high power distance culture characteristic of many organisations' cultures would make it very difficult for those perceived as junior to contradict their seniors at a group meeting. [5]

Interaction for learning in groups requires interpersonal competence - relating to each other on an 'adult to adult' basis and not a 'parent to child' relationship. This may necessitate engagement of facilitators for meetings who have good interpersonal skills.

Real learning takes place when participants are honest about one's own feelings. It is by exposing these feelings and opening up to constructive challenge which facilitates internal transformation. Failure to create an environment in which feelings are expressed openly would lead to pretence and dishonesty which inhibit the learning process.

The atmosphere among, for example, councillors and members of a ratepayers' association stakeholder group may be that of competitors for the councillor's job. This may promote game playing with some using IPR and stakeholder meetings to enhance their political careers while denigrating other serving councillors. Such a situation would most certainly destroy the spirit of 'comrades in adversity' and increase mistrust and suspicion. It is thus essential that before conduction IPR, induction training be provided to those engaging in the process so that adequate information on its value and principles is disseminated to all.

Thus, when engaging in the process of IPR it is essential that participants are aware of these impediments and consciously work towards minimising their impact on the results of IPR.

Organisational learning and change
Critcal Success Factors
What key points have arisen?
Are there any patterns with previous observations or complaints?
How do you feel about the feedback?
How does it compare with how you have always considered your council?
Do you think the feedback is fair?
Does it ring true or are you surprised with the replies?
Have you consulted all stakeholders in developing your change plans?
Are you committed to seeing these changes take place? Are you committed to making resources available to address them?
Pitfalls
Poor understanding of the concept and practice of Peer Review can lead misguided reviews
Partner should be carefully selected – failure to do so may lead to failure
Poor organisation of the PR process can produce negative outcomes.
Failure to 'own' the peer report can lead to pseudo change plans
PR can result in strained relationship between the host city being reviewed and its reviewing partner.

Conclusion

International Peer Reviews in local governance are carried out in the spirit of knowledge sharing among peers seeking to learn from the experiences of their counterparts. The assessments that peers make are not ends in themselves but the beginning of a learning and change process in which both the international partners as well as local stakeholders undertake to assist each other to improve their performance.

The outcomes of IPR can vary. As indicated in this toolkit they include the formulation of concrete Change Plans to tangibly revise city programmes and introduce new ones; Improvement in the relationship between the city and its key stakeholders was evident in all the participating pilot councils; and increased understanding of the operations of the city, its successes and its challenges. These are significant changes that have the potential to positively impact the quality of local governance.

The toolkit serves as a simple guide and inspiration to other local governments wishing to engage in a process of peer review and organisational learning. Situations will differ from one local government to another, from one region to another and from one country to another. The toolkit should be adapted as necessary rather than be regarded as sin qua non for peer reviewing.

Beyond the IPR process itself, participating local governments strengthen their Municipal International Cooperation which can transcend the municipal office and involve local stakeholders such as business, residents associations, churches, sporting clubs, women's empowerment groups and informal traders associations establishing their own symbiotic linkages with their foreign equivalents. This can significantly improve general conditions of living especially in developing countries by widening the support and knowledge sharing base.

Finally, IPR aims especially to improve local governance. The concept of good local governance is in flux moving from the traditional and rigid forms of governance premised entirely on representative democracy towards more inclusive forms of governance in which the ordinary citizen continues to have a say in the governance process even after casting his/her vote at election time. Participatory practices have become indispensable in local governance. Equally, there are greater demands for accountability and transparency. Management of public utilities has long been a subject of much debate and disillusionment the major concern being abuse, corruption and downright embezzlement of funds. By improving transparency and accountability, the quality of local governance can be improved significantly.

In the past decade the movement towards recognising women as equal partners in development has gained momentum. The concept has been widened to include other forms of unfair discrimination such as that of youths, the poor, minorities and other marginalised groups. The 'inclusive city' has, thus, become the norm. The growth of urban settlements in the last century has also brought with it huge security challenges propelled largely by poverty and overcrowding. Cities are expected to address this challenge and provide a safe environment for all their citizens. The city fathers can significantly assist in minimising crime through creating an environment renders the commitment of crime more difficult such as improved street lighting, promoting neighbourhood watch schemes, providing good streets and others.

These tenets of good local governance are the basis upon which IPR processes proposed in this toolkit are based. They are not exclusive and as suggested earlier local governments are free to vary, add or develop other dimensions of good local governance. The intention here is to promote good local governance through peer assessments, sharing of knowledge and solidarity among various stakeholders to improve performance.

International Peer Review Checklist

		Check/remarks
Step 1 Understanding and preparing for Peer Review		
Choosing international peers	(a) Principles	✔ Compatibility and comparability of partners
		✔ Peers must share broad understanding of local government systems.
		✔ The principle of mutual benefit.
		✔ The principle of volunteering: IPR partners should volunteer to participate in the process rather than handpicked or coerced by some higher authority.
		✔ The existence of an environment that encourages free expression of views without fear or favour.
	(b) How	✔ Requesting the municipality's existing partner to carry out the peer review.
		✔ By requesting the national association to assist through their database and international networks
		✔ Consulting international network of local governments such as the Commonwealth Local Government Forum
Identifying your local stakeholders	(a) Basic understandings	✔ Establish a representative consultation framework for the council.
		✔ Provide for the establishment of working teams for the formulation and implementation of change plans
	(b) How	✔ Carry out a stakeholder analysis
		✔ Working group through brainstorming and wide consultations develops a list of all possible stakeholders –identifying all actors whose activities impinge on local governance.
		✔ Develop a priority list stakeholders in consultation with local government experts.
		✔ Interview the priority listed stakeholders identified to gain accurate information on their positions, interests, legitimacy and ability to affect the process.
		✔ Finalise the selection
Building consensus on good local governance	(a) Basic understandings	✔ To establish a framework for measuring local governance and democracy
		✔ To enable cities to share experiences of good local governance and democracy
		✔ To expose participants to emerging norms and methodologies of measuring and enhancing good local governance and democracy
		✔ To broaden perceptions and understanding of civic responsibility placed upon political leaders.
	(b) How	✔ Identifying the Local Stakeholder Group
		✔ Desk study and literature review
		✔ Develop draft concept paper

		✔ Convening the consultations
		    - Securing funds
		    - Securing a venue
		    - Facilitating the workshop
		    - Run the workshop

		✔ Agree on framework for a healthy local democracy

		Check/remarks
Step 2 Establishing the local governance baseline using UGI		
	(a) Basic understandings	✔ Carry out the Urban Governance Index assessment
		✔ Obtain formal endorsement of intention by council
		✔ Does process closely engages stakeholders in appraising the local authority?
	(b) How	✔ Constitute a local stakeholder group
		✔ Conduct training for local stakeholder group
		✔ Conduct assessment workshop
		✔ Submit findings to UN Habitat
		✔ Feedback from UN Habitat
		✔ Report back to the council
		✔ Report back to the stakeholders and wider society
		✔ Give feedback to the local communities
Step 3 Conducting the International Peer Review		
	(a) Basic understandings	✔ International peers visit and conduct an assessment on the basis of agreed standards of governance
		✔ The process culminates in the production of a report which forms the basis for learning and change
	(b) How	
Planning and organising IPR		✔ Clarify framework for good local governance – communicate it to your peers
		✔ Conclude and sign the Protocol Agreement
		✔ Clarify who is Involved and what roles each play
		✔ Ensure resources are secured and available
		✔ Ensure programme management is overseen by a senior official who can make decisions quickly or has access to those who can
		✔ Confirm all appointments, for interviews, meetings etc
Conducting the IPR		✔ Finalise programme and distribute all relevant documentation to peers
		✔ Conduct peer training
		✔ Send official invitation
		✔ Send advance background information documentation to peers
		✔ Have you sent notices and IPR programme to your stakeholders and all those planned to meet?
		✔ Logistics in place: transport, accommodation, meeting venues, etc
		✔ Receiving your visitors
		✔ Conduct the assessment as planned
Reporting		✔ To the leadership
		✔ To stakeholders and the wider group
		✔ Stage a press conference for publicity

		Check/remarks
Step 4 Organisational learning and change		
	(a) Basic Understandings	The purpose of IPR is to identify the need for learning and change in the organisation.
		The IPR report highlights the observable strengths and weaknesses. The learning and change process begins with the IPR report.
	(b) How	
	Reporting	Meeting between the council and its peers to deepen understanding of the findings – What is the meaning? How can we move forward?
		Circulate the IPR report widely
Reciprocal visit	Learning	Consolidate Learning through reciprocal visit
Developing change plans		Organise reference group workshops to democratise the change process
		- Review report - Identify areas of strength - Identify areas of weaknesses - Explore council's opportunities - Analyse findings: What happened, When ,Why?
	Change	Develop Change Plans together with stakeholders
		Incorporate Change Plans into council planning system
Implementing change		Implement the Change Plans
Monitoring and evaluation		Monitor and evaluate: Ongoing report-back and consultation system with stakeholders
Repeat self-assessment		Carry out self-assessment using UGI to check overall progress
		Adopt good local governance practices

Appendix 1: The International Peer Review assessment framework

Introduction: The International Peer Review assessment

TThe IPR process is largely a qualitative assessment based on the perceptions of a wide range of stakeholders on key indicators of good governance. The assessment may draw on documentation with factual information and statistical data. However, the interpretation of the results is based mainly on qualitative data arising out of interviews with various stakeholders.

In this appendix, we present five dimensions of IPR in local governance:

- Participation
- Effectiveness
- Equity
- Transparency and accountability
- Security and social welfare.

For each of these, we define the dimension and provide the key elements or standards for an ideal local authority. Each section contains a table with three components:

a) The key indicator
b) The standards that an ideal local authority is expected to adopt and practice; and
c) The areas for probing by peer reviewers.

The indicators presented were adapted from the UN-HABITAT model by the participating cities in Southern Africa and tested in five Zimbabwean local authorities.

1. Participation

What is participation?

This dimension assesses the extent to which the local government authority is willing and takes practical measures to engage their community in policy formulation and implementation in order to meet the needs of their communities including the most vulnerable in their society.

There should be commitment to engage the community in defining their needs, agreeing on standards for service delivery, how communities will provide feedback on their level of satisfaction on service delivery and the structures and processes that have been put in place to achieve these goals.

It is generally acknowledged that '...*participatory processes are the best means for ensuring the effective use of scarce development resources, for the equitable distribution of development benefits, and for ensuring the sustainability of hard won benefits*'.[6]

It has also been argued that progress in poverty reduction depends on the quality of the participation of the urban poor in decisions affecting their lives and on the responsiveness of urban planning and policy-making to the needs of the urban poor. [7]

The key elements of participation in local governance

Participation in local governance is assessed according to:

- *Representative democracy:* the holding of regular free and fair local elections.

- *Information gathering mechanisms* to assess the opinions and perceptions of citizens; mechanisms for this include (i) service delivery surveys (ii) complaints and report cards (iii) evidence of city-wide consultations, (iv) monitoring and evaluation mechanisms.

- *Participation framework:* the existence of a legal framework for local inhabitants and civil society to effectively participate in local governance processes. The council's efforts should be directed at systematic information gathering, consultation of interest groups, binding decision-making processes, and public dispute resolution.[8]

- *Responsiveness:* council consults its citizens and stakeholders on important issues and uses appropriate methods and takes into account the public's contributions when making decisions. The existence of a citizens' charter or social contract between citizens and the local authority.

- *Social capital:* A city that nurtures and develops its social capital, with a strong civil society that generates social capital, and popular involvement in the processes of improving human and physical capacities.[9]

Table A1: Participation: how a council engages its citizens

Key Indicator	Standards	Probe focus area
Representative democracy	✚ The council was democratically elected, ✚ An elected mayor in office, ✚ A high voter turnout, and ✚ Councillors have the capacity to serve their constituencies.	- Are councillors locally elected? - How frequently are local elections held to institutions of city government, such as councils and mayoral positions? - What measures are taken to increase representation for disadvantaged groups such as women, disabled, youth or minorities in council? - How is the mayor chosen? - What is the relationship between the mayor and the council? - What orientation does the mayor and elected councillors go through on roles, functions and operations of the city council? - What is the voter turnout rate over the last two elections? - Are there any particular identifiable groups amongst whom turnout is low? - How does the turnout rate compare with the other urban councils? - What is the turnout in national elections in the constituencies in your city? - How many council positions were uncontested at the last local elections in percentage terms? - How do councillors serve constituents? - Do councillors hold (advice) surgeries? - What disruptions took place in the most recent nominations and elections? - What policies have been adopted to prevent such a recurrence?
Information gathering mechanisms	Systematic information gathering through ✚ Consulting interest groups, ✚ Binding decision-making processes, and ✚ Public dispute resolution.	- Does the council consult its residents on important issues like the budget and if so how? - What types and how many council meetings were open to the public in the past twelve months? - What impact did the meetings have on the policy making process of the city? - In what ways does the public convey its views on service delivery? - What ways are available to them to do so? - What announcement methods are used to inform the public about full council meetings and other meetings that are open to citizen participation? - What efforts does the council make to ensure that residents are aware of the powers and responsibilities of local government? Its own programmes and policies; The role that residents and councillors can play in shaping local policy and decision making?
Participation framework enshrined in the law	✚ A legal framework for civil society and local inhabitants to effectively participate in local governance processes.	- Is there a legally binding participatory framework, for example, for key issues such as budget process and other important policies? - How participative is the budget process and does it pay particular attention to historically marginalised groups, eg. women, children, the old, the disabled, minority groups, etc. - Referenda on specific matters such as important policy changes?

Key Indicator	Standards	Probe focus area
Responsiveness	✚ Council consults its stakeholders on important issues, and ✚ Council uses appropriate methods to take into account the public's contributions when making decisions ✚ The existence of a	Citizens' Charter - Does the council incorporate the community's aspirations into its own plans? - What system is in place for receiving of complaints, suggestion boxes, etc - Does the council conduct Service Delivery Surveys to assess citizens' satisfaction? What mechanism is in place for processing such surveys? - Is there Citizens' Charter that guarantees rights to citizens on service delivery and the right to be heard?
Social capital	✚ City nurtures and builds social capital and popular participation ✚ A strong civil society that generates social capital and popular involvement in the processes of improving human and physical capacities. ✚ Civic education on roles and responsibilities of local government ✚ Role training for councillors	- Establish existence of developmental non governmental organisations and their actual role in society - Establish existence of civil society organisations such as advisory committees, residents associations, Associations of people living with HIV/AIDS - Look for evidence of training programmes for the civil society stakeholders and other community leaders and councillors

2. Effectiveness and efficiency

What do we mean by effectiveness and efficiency?

Assessing the effectiveness and efficiency of municipal governance focuses on cost-effectiveness in the management of resources and delivery of services. This dimension is concerned with the capacity of the city to assess needs, manage operations, evaluate and learn from their experiences. Cities must learn to work with the private sector, civil society and in partnership with other cities in order to minimise cost.

This dimension raises some fundamental questions:

- Are we doing the right things? Have we assessed the needs of our community correctly?
- Are we doing things the right way?
- Are we applying resources in an optimum way?
- Are we checking on customer satisfaction?
- Are we learning from our experiences in order to improve on performance?

The key elements for effectiveness and efficiency

Effectiveness and efficiency is assessed according to:

- **Vision statement and strategic plan** A council that has direction knows what it wants to achieve and how it will harness effort towards that goal working together with its inhabitants through participatory processes.
- **Service delivery standards** The setting of appropriate service standards that are communicated to the communities. The IPR will assess the extent to which the city is moving towards achieving the set standards.
- **Sustainable council revenue** Peers consider the key question of the revenue base and the city's ability to actually collect what is due. It is also concerned with the setting up of equitable user-pay principles for services and provision of infrastructure as in-built sustainability measure.
- **Realistic budgets:** Peers assess the extent to which the city is able to realise its aspirations as expressed in its budget, timely collection of dues and enforcement of the relevant municipal by-laws.
- **Smart partnerships** The establishment of symbiotic relationships with the private sector and civil society in the provision of services. This requires the creation of an enabling environment, including the regulatory and the legal frameworks for private sector, the informal sector and civil society to

engage in business activities without unnecessary barriers.

- **Customer satisfaction** Assessing whether the citizens perceive what the city delivers as satisfactory.

- **Capacity enhancement** The city should have programmes for the development of human resource capacity to carry out the required tasks in order to achieve its objectives.

Table A2: Effectiveness and efficiency

Key Indicator	Standards	Probe focus area
Vision statement and strategic plan	✚ Council has a vision statement and a strategic plan developed in collaboration with stakeholders ✚ Council has mechanisms to measure consumer satisfaction.	Check documentation and evidence of public consultations in developing vision statement. - Is there a vision statement for the city's future? - Has the vision statement been developed through a participatory process in local - government, civil society and the private sector? - Was the vision statement prepared as part of the donor funded project? - Is there a strategic plan for the town? - How was it developed? - How is the strategic plan used? - To what extent do councillors understand it? - To what extent do council staff understand it and how it relates to their areas of work? - How long has the strategic plan been in place? - To what extent has the strategic plan been adhered to? - What factors have made the council to divert from it? - What remedial action will be taken on this?
Service delivery standards	✚ Appropriate service standards are set ✚ Standards are communicated to the communities. Peers assess the extent to which the city is moving towards achieving the set standards.	- Is there currently a formal publication of performance standards for basic services? - At what institutional level does the publication of performance standards takes place? - Has a survey of consumer satisfaction with services been undertaken in the city? - If so, when? - At what institutional level is the consumer satisfaction survey undertaken? - What is the frequency of such a survey? - Was the survey used to inform future council policies and management?

Key Indicator	Standards	Probe focus area
Sustainable revenue base	✚ The council has a strong and sustainable source of revenue ✚ Council uses resources effectively, and ✚ Government transfers are predictable ✚ Existence of equitable user-pay principles for services and provision of infrastructure as in-built sustainability measure	Peers assess the extent to which the city is able to realise its aspirations as expressed in its budget, for example, actual revenue collections compared to what was planned. - What is the overall annual budget of the city in terms of revenues and expenditures? - What are the sources of city revenue? - What is the major line item? - What proportion of the city revenue is received as subsidies from central government? - How many cases of tax evasion from city taxes were officially pursued in the last twelve months? With what success? - How many cases of non-payment of council bills were officially pursued in the last twelve months? With what success? - Who are the largest culprits in non-payment of bills? (e.g. the central government, neighbouring authorities etc) - Which sector owes the council most?
Realistic budgets	✚ The council's ability to meet budget targets ✚ Ratio of actual recurrent and capital budget (A higher capital budget is indicative of growth whereas a bulging recurrent expenditure may indicate stagnation) ✚ Ratio of mandated to actual tax collected (A measure of the ability of the city to collect what is due to it) ✚ The predictability of revenue transfers in the budget	Peers assess the extent to which the city is able to realise its aspirations as expressed in its budget, timely collection of dues and enforcement of the relevant municipal by-laws. Establish the ratio of recurrent expenditure to capital expenditure - What is the percentage of capital budget to recurrent expenditure? Check reports on revenue collections - What is the revenue collections rate, i.e. user fees, rates and charges? Check actual disbursements from higher levels of government - Is the amount of funds transfers from higher government known in advance of local budgeting? If so how long? - Is there any basis to demand the amount of transfers? - What is the basis and time period for the transfers?

Key Indicator	Standards	Probe focus area
Smart partnerships	✚ Symbiotic relationships with private and civil society sectors in the provision of services. ✚ The existence of enabling environment, including the legal frameworks for private sector, the informal sector and civil society to engage in business activities without unnecessary barriers.	Evidence of smart partnership agreements/ contracts, memoranda of understanding. - Check evidence of cooperation and participation of civil society and private sector. - Check existing protocols for investment, processes for civil society participation in development. - How many civil society groups are estimated to exist in the city? - Does the city hold a formal or informal register of NGOs and CBOs operating there? - In what ways do local NGOs and CBOs contribute to policy formulation and to implementation? - How many public–private partnerships exist between the city and private sector firms for delivering services or responding to community needs? - How many partnerships exist between the city and CBOs for delivering services or responding to community needs? - Do private corporations assist in the provision of essential services, such as water or electricity?
Customer satisfaction	✚ Existence of mechanism to assess citizens' satisfaction with services	Assess whether the citizens perceive what the city delivers as satisfactory. Are there service delivery surveys as a vehicle for establishing how the council is doing? The reports should be made available for review.
Capacity enhancement	✚ Programmes for the development of human resource capacity to carry out the required tasks in order to achieve council objectives.	Examine the policy on human resources development. Request documentation Check for training programmes – in - house and external, management development programmes

3. Accountability and transparency

What do we mean by accountability and transparency?

Democratic local governments are given a mandate to govern by the citizens who elect them. They are accountable to these citizens for their proper performance.

Corporate governance is at the centre of accountability and transparency. Corporate governance structure determines the rules and procedures for making decisions on municipal affairs. It provides the structure through which the municipal council's objectives are set and the means of attaining and monitoring the performance of those objectives.

Accountability is the acknowledgement and assumption of all responsibility for actions, products, decisions and policies. This includes the administration, governance and implementation within the scope of the role or employment position and encompasses an obligation to report, explain and be answerable for resulting consequences. [10]

In representative democracies, accountability is an important factor in securing good governance and, thus, the legitimacy of public power. Accountability enables negative feedback after a decision or action, while transparency also enables negative feedback before or during a decision or action' Accountability constrains the extent to which elected representatives and other office-holders can wilfully deviate from their theoretical responsibilities, thus reducing corruption.[11]

The dimension of accountability and transparency is particularly important in the fight against corruption. It is the scourge of corruption that "...undermines the legitimacy of governments by distorting decision-making processes, weakening institutional capacity and eroding public confidence." [12]

This dimension, thus, is concerned with the application of the concept, in particular, how the local authority ensures that it remains answerable to society by first creating an environment of transparency and openness and secondly by effectively reporting its actions to the community.

The key elements for accountability and transparency

This dimension has the following elements:

Accountability –

- Corporate governance the existence of rules, systems and procedures that facilitate effective governance and promote honesty, trust and integrity, openness, performance orientation, responsibility, mutual respect and commitment to the municipal council.
- A strong legal framework regulating the operations, especially the financial and economic aspects of the city. There should be a clear disposition towards the respect of the rule of law so that the legal framework does not become a mere 'espoused theory' but a 'theory in use'.
- Effective oversight of departmental operations.
- Checks and balances in policy making, administrative and financial management systems. For example, such policies as 'conflict of interest policy' should be in place. The existence of appropriate internal and external audit, including systems audit.

Transparency –

- Openness A framework for the disclosure of performance data in order to measure outcomes.
- Consultation The existence of forums for meetings, public consultations, public hearings, accessibility of council policies and public documents
- Effective communication on policy formulation and implementation to the community.

Table A3: Accountability and transparency

Key Indicator	Standards	Probe focus area
Corporate governance	✚ Systems and processes, rules and procedures, customs, policies, laws and institutions that promote honesty, trust and integrity, openness, performance orientation, responsibility, mutual respect and commitment to the municipal council.	Are the roles of the council deliberative body and the executive clearly defined and demarcated? Are the roles of the mayor and the town clerk/chief executive officer clearly defined and demarcated? - Prior to taking office are locally elected officials required to publicly disclose the following; personal income, personal assets, immediate family income and immediate family assets? - Are local office bearers' (officials and councillors) incomes and assets regularly monitored? Check for published codes of conduct, check for such policies as dealing with 'conflict of interest', 'disclosure of income and assets' - Is there a code of conduct in place and signed by all councillors? (This code should be reviewed by the peers for comment.) - Is there a code of conduct in place and signed by all officers? (This code should be reviewed by the peers for comment.)
Strong legal framework	✚ A clear disposition towards the respect of the rule of law so that the legal framework with evidence of theory in use	Check evidence of prosecution of the law for breaches committed Is there a regular audit of the council finances? Is there an audit committee? Check for existence of performance reports and the systems used to process them
Checks and balances	✚ Appropriate internal and independent external audit, including systems audit. ✚ A framework for the disclosure of performance data in order to measure outcomes	Is there a regular audit of the council finances? Is there an audit committee? Check for existence of performance reports and the systems used to process them

Key Indicator	Standards	Probe focus area
	✚ The existence of a platform for citizens to exercise their rights ✚ Clear framework for receiving complaints and grievance dealing procedures	- What types of systems are in place to hear and address citizen concerns about issues of service delivery or other functions of the local government? - Is there a complaints system in place? - How does it operate? - How many complaints about service provision were submitted by citizens in the last 12 months? - How many complaints did the local government act on in the last 12 months? - What is the percentage of recurring complaints? - What percentage of citizens is satisfied/dissatisfied with service provision as reported in recent public opinion polls (if available)? - Is there a signed, published statement service charter to which citizens are entitled? - What entities do citizens seek recourse to?
	✚ A framework for the disclosure of performance data in order to measure outcomes	Check for existence of performance reports and the systems used to process them
Effective oversight of council's operations	✚ Forums for meetings, public consultations, public hearings, accessibility of council policies and public documents	Check for evidence of such consultations – minutes, reports
Transparency		
Openness	✚ The existence of a framework and systems that promote openness and provides citizens with the tools to assess the council's performance. ✚ Clear framework for processing tenders for the supply of goods and services to the council	Check what mechanisms are used. - What mechanisms and regulations exist to ensure transparency in discussing and adopting the local budget? - What mechanisms and regulations exist to ensure transparency in public decision-making and other processes (such as soliciting contracts for city purchases)? - How are vacancies in local government advertised (including method and period of announcement) - Check evidence of formal processing of tenders and contracts.

Key Indicator	Standards	Probe focus area
Consultation	✚ Mechanisms for effective consultation with key stakeholders	- Are there regularly scheduled meetings, forums or other routine method of consultation and cooperation between the city and NGOs/CBOs? - Is there a regularly scheduled meeting, forum or other routine method of consultation and cooperation between the city and the private sector? - Is there a regularly scheduled meeting, forum or other routine method of consultation and cooperation between the city and the informal business sector?
Effective communications	✚ Mechanisms for effective communication on policy formulation and implementation to the community	- Are the following publicly published: budget, tenders, and accounts? - What is the medium of publication? - Does the council publish an annual report on its performance? - Does the council publish a local information newssheet, and how regularly? - Does the city have a website to provide information about the city, governance, administration, and the economy? - Do citizens regularly use these technologies to access information or for other purposes? - Is there a regularly scheduled meeting, forum or other routine method of communication and cooperation between the city and its stakeholders?

4. Equity

What do we mean by equity?

The principle of Equity promotes natural justice focusing on fairness and flexibility. In local governance we are concerned primarily with fairness and justice relating to:

- Inclusiveness
- Poverty
- Disability
- Gender
- Youth

The concept of the 'inclusive city' envisions the city as a place where all, regardless of race, religion, gender age or wealth can live and participate shaping the environment that affects their livelihoods in a productive and beneficial way. Diversity should be recognised and provided for in city policies in order to minimise the marginalisation of groups especially minorities, women, young people and the poor.

The dimension promotes equal treatment of women and men at both the political and administrative levels of the city management. Traditionally women have been marginalised and discriminated in both political and administrative roles.

In modern city life the risk of the poor being marginalised and excluded from mainstream local administration can be high. Local governments should ensure that issues of urban poverty are brought to the fore and addressed in a manner that ensures that they are integrated into city-wide policies and strategies and have an explicit focus on the reduction of urban poverty.[13]

Local governments should recognise that the youth are the leaders of tomorrow. Young people should be provided with opportunities for personal development and engaged in productive activities and promote civic responsibility among them.

The key elements of equity

The equity dimension has the following elements:

- City policies that recognise and promote *gender equality*, the elimination of discrimination of women in both the political and administrative strata of city administration. This could be expressed by such initiatives as quota systems for women representation and positive discrimination.

- Policies that address challenges of *diversity* in the community seeking to minimise occurrence of such social ills as racism, tribalism.

- *Access to basic city services for disadvantaged groups:* basis services such as safe drinking water, shelter, health and sanitation to all sectors of the community, especially, the poor, women, young people and elderly people.

- The existence of *pro-poor policies* that seek to improve livelihoods of the urban poor and cushion them from escalating costs. The informal sector has emerged as a key economic survival option for the poor. Local government should recognise and create an enabling environment for the legitimisation and growth of economic opportunities that exist in the informal sector.

Table A4: Equity

Key Indicator	Standards	Probe focus area
Gender equality	✚ City policies that recognise and promote gender equality, ✚ Elimination of discrimination of women in both the political and administrative strata of city administration.	Check for such initiatives as quota systems for women representation, positive discrimination in employment. Establish percentage of women in political positions and leadership positions. Check number of women occupying senior positions in council administration: - Number of women elected in the last election. - Total number of councillors in the last election - Number of women in key positions such as Deputy Mayor and Mayor - Total number of women candidates in the last election - Proportion of women councillors to the total number of candidates - Gender policy in place, if not, are there any plans to adopt one? - Do councillors understand, support and take this policy seriously? How often is the debate followed up at council/ committee meetings? - Do officers understand, support and take this policy seriously? - Are women councillors and officers taken seriously? - How is this policy being implemented? - Gender mainstreaming programs in place - How is this being implemented and with what success? - What percentage of senior officials are women? - Does the council undertake gender-sensitive budgeting?
Diversity	✚ The existence of policies that address challenges of diversity in the community seeking to minimise racism and tribalism and nepotism.	Check for evidence of the existence of such policies and programmes. - Is there a watchdog system to monitor racism, tribalism, nepotism in employment, award of tenders, allocation of houses and stands, etc
Access to services by the poor and other disadvantaged groups	✚ The council equitably distributes services to all its residents and guarantees access to basic city services such as safe drinking water, shelter, health and sanitation, to all sectors of the community in particular, the poor, women, young people and older people.	Check city minutes for existence of policies. Obtain practical examples of the implementation of the policy. - Check for the existence of a Citizens' Charter that assures citizens access to basic services. - Is there a signed and published statement that acknowledges citizen's right of access for basic services? - What are the services that are included in the charter? - What is the medium of the publication of the charter? - How are services distributed according to location? - Do citizens get equal access to water and street lighting? - Is there a pro-poor pricing tariff in place for essentials, e. g water? - How are leisure services like swimming pools and tennis courts distributed? - How are waste collection and sewerage services distributed?

Key Indicator	Standards	Probe focus area
	✚ The council has policies for addressing poverty. The existence of pro-poor policies that seek to improve livelihoods of the urban poor and cushion them from escalating costs. ✚ Access to land by the poor	- How are waste collection and sewerage services distributed? - Identify each of the services that are delivered by the council and ask the following: - Is the quality of service delivered uniform across the city? - Is the time/distance needed to travel to access the service equitable across the city? - Is the cost to the user equitable? - Are there informal settlements and how do the residents receive these basic services? - Is there a pro poor policy for pricing services? - What is the median price of water and rates in informal settlements, high-density suburbs? - What is the difference in the median prices? - Does the council have any policy on street kids? - Are there any programmes for street kids run by the council alone, or in partnership with other organisations? - Are there areas in the central retail area of the city where informal vending is designated? - Are there incentives like public markets fares? - In the past year how many protests or confrontations have taken place involving informal street vendors and local authorities or police?
Pro poor and informal sector policies	✚ A legislative framework for the legitimisation and growth of economic opportunities that exist in the informal sector.	Check for evidence of existing protocols for informal sector and civil society participation in the local economy.
	✚ The existence of social safety nets to alleviate the impact of harsh economic conditions on the poor.	Look for evidence of pro-poor programmes implemented by the city. Is there access to justice for the poor?
	✚ The poor and other disadvantaged groups can influence council decision making	Evidence of participatory framework and processes for these groups to influence decision-making

5. Security and social welfare

What do we mean by security and social welfare?

Article 3 of the United Nations Universal Declaration of Human Rights states that everyone has the right to life, liberty and security of person.[14] In 2005, the urban population accounted for more than half the world's population. The rapid growth of urban settlements has increasingly threatened safety, in particular the mushrooming of unplanned settlements lacking basic security facilities such as street lighting. These settlements also lack safe water and sanitation and pose law enforcement difficulties due to inaccessibility. Such places become unsafe, not only to other inhabitants of the city but to the slum dwellers themselves and the law enforcement agencies which ultimately fail to deliver meaningful protection.

Poverty levels soon worsen under such conditions leading to severe suffering especially among deprived women, children and the destitute.

Local authorities are the level of government closest to the people and are better placed to provide facilities that improve public safety and combat conflict through the dissemination of democratic principles of tolerance, equity, participation and democratic representation.[15]

The key elements of security and social welfare?

The security dimension has the following elements:

- *People–centred approach* A local authority that builds a feeling of inclusion in the governance process builds a sense of responsibility among the community. A local authority that provides a people-centred approach to governance, that harnesses local efforts towards addressing local challenges tends to minimise conflict.

- *Creating a culture of peace, promoting tolerance of diversity* to prevent conflict.

- *Community policing* Providing a framework for community policing, involving the community in addressing safety concerns.

- *Security in the city* Innovative security policies to reduce crime such as the provision of adequate street lighting, policing of public spaces, public parks, etc

- *Employment opportunities* Programmes to address issues of unemployment, extreme poverty and moral decadence through such initiatives as training, small enterprise development and rehabilitation for offenders, prostitutes and others. The existence of social safety nets to alleviate the impact of harsh economic conditions on the poor and other vulnerable groups.

- *Adequate and secure shelter for vulnerable groups* Programmes to address the development of urban slams, in particular, visible slum upgrading activities. The provision of adequate secure shelter to the urban poor, women and other vulnerable groups.

- *Child protection* Schemes to minimise the involvement of children and youths in violent crime syndicates.

- *Partnerships* including city-to-city alliances to share innovations in dealing with security and foster solidarity.

Table A5: Security and social welfare

Key Indicator	Standards	Probe focus area
People-centred approach	✚ Council has framework for inclusion in the local governance processes.	Existence of laid down framework for participation in decision-making and consultation processes. - Are communities involved in crime resolution and what are the processes?
Creating a culture of peace, promoting tolerance of diversity	✚ Council has city programmes to promote peace and tolerance for diversity	Check for campaigns undertaken by the city to promote community cohesion and peace.
Community policing	✚ Council has a policy framework for community policing, involving the community in addressing safety concerns	Check for existing programmes on community policing, such as neighbourhood watch committees.

Key Indicator	Standards	Probe focus area
Security in the city	✚ Clear policies, systems and programmes to enhance public security in the city ✚ Innovative policies to deal with issues of street lighting	Council has policies and programmes to address security - Does the city have a crime prevention/reduction policy? - What is the rate of violent crime, such as assault, murder, and rape in the city in the last three years? - Does the city have programmes for policing public places such as public parks, public car parks and community halls? - What level of street lighting does the city have? Do all streets have lights or the lighting infrastructure? - Is there a programme to extend the lighting? - What is the rate of non-violent crime in the city in the last three years? - Are there crime hot spots in the city? (eg for particular crimes such as muggings and prostitution) - What community safety programmes are in place and how successful have they been? - What initiatives has the council implemented in the last year? - Does the city have any HIV/AIDS policy in place? Has the council implemented the policy successfully?
Employment opportunities	✚ Programmes to address issues of unemployment, extreme poverty and moral decadence through	Check for such initiatives as training, small enterprises development and rehabilitation for offenders, prostitutes and other social deviants
Adequate secure shelter for vulnerable groups	✚ Pro-poor housing schemes. ✚ Slum upgrading programmes	Are there specific programmes for housing aimed at the urban poor and vulnerable groups? Are there visible slum upgrading programmes and activities?
Child protection	✚ Does the council have child protection schemes to minimise the involvement of children and youths in violent crime syndicates.	Evidence of such schemes or support for them - What social welfare programmes does the council have and have they been successfully implemented?
Partnerships	✚ City-to-city alliances to share innovations in dealing with security and foster solidarity	Look for vidence of city collaboration to share ideas on city safety

6. Designing other local governance indicators

The dimensions for IPR discussed in this chapter are not rigid. These can be varied to accommodate innovative ideas aimed at improving local governance. UN-HABITAT has suggested the following steps as a guideline for designing a local governance indicator system for a particular city. [16]

- **Step 1:** Sensitise local leaders about the importance of measuring progress in improved urban governance

- **Step 2:** Develop locally appropriate indicators: definition, selection criteria, linkages with other indicators

- **Step 3:** Define benchmarks and targets

- **Step 4:** Assigning scoring and weighting to the indicators and sub-indices and the proposed formulae for the local adaptation of the Urban Governance Index

- **Step 5:** Field test in cities

- **Step 6:** Collect data on a periodic basis

- **Step 7:** Integrate findings in urban policy development.

Looking Back

Check
✔ Is there commitment to engage the community in defining their needs, agreeing on standards for service delivery, listen to their feedback on service delivery?
✔ We advocate for representative democracy through freely elected members by the community
✔ Are we providing needed services in a cost-effective manner
✔ Do our citizens pay for what they get?
✔ Do we partner with capable private sector, civil society in delivering services? Do we have protocols to govern this?
✔ Do we invest in our human resources, prepare them for new roles, and improve their performance?
✔ Do we account for our decisions and actions to our communities – take responsibility for what we do?
✔ Do we create an environment of openness and transparency – our communities watch the mirror of us?
✔ Do we espouse gender equality? Have we developed policy on gender?
✔ Do we recognise diversity and work towards the elimination of ...isms?
✔ Basic necessities: safe drinking water, sanitation – are they accessible to all in the city?
✔ Everyone has the right to life, liberty and security of person
✔ Do we work continuously towards the upgrading of slums – and their elimination
✔ How do we build bridges between our different ethnic communities?
✔ What programmes and concrete actions does our city have to address our communities' concerns about safety
✔ What concrete steps are we taking to address the plight of the poor and reduce urban poverty?

Pitfalls
✖ Are we just telling our communities; what we are doing for them?
✖ Engaging the community does not end at election time, it begins at election time and continues until the next election
✖ Is corruption ballooning our operational and capital costs – lining our individual pockets?
✖ Do we have too many 'free riders', some rich ones for that matter!!
✖ Do we monopolise service delivery, even when we fail!!
✖ If you cannot perform, you are out – we hire and fire!!
✖ We are the chiefs – they must listen to us.
✖ Are we shrouded in darkness nursing the scourge of corruption that undermines the legitimacy of governments by distorting decision-making processes, weakening institutional capacity and eroding public confidence.
✖ Are we traditionalists – our women must keep their place!
✖ My tribe is, of course, more reliable and capable, not these!!
✖ Services to only those who can pay the full cost.
✖ Agreed – but that's not our city's baby
✖ Slums will be there forever, we cannot afford new houses
✖ Only the majority should have the say
✖ Safety is entirely the concern of the police
✖ Our city has the fastest growing economy in the country – the poor will eventually make it and survive.

Appendix 2: Checklist for running workshops

Preparation

- ✔ Engage a facilitator
- ✔ Engage a rapporteur to record the proceedings
- ✔ Prepare a workshop plan – coordinator, facilitator and rapporteur as a caucus to plan how the workshop will proceed
- ✔ Ensure that you have a complete list of participants – get confirmation

Note the size of the group for the conduct of workshop activities

- ✔ Ensure availability of documenting materials such as flip charts are available to record ideas as the workshop progresses
- ✔ Prepare schedule of activities for the workshop allowing reasonable time for breaks and refreshments
- ✔ Are the facilities conducive for adult interaction - suitable space, facilities, and materials for workshop activities, space, tables and chairs, adequate lighting and ventilation
- ✔ Ensure availability of white boards, flip charts, presentation equipment if required pens, post-its, etc.
- ✔ Ensure that you have briefed those you wish to take a special role at the workshop – the mayor, town clerk, leader of the residents association, etc
- ✔ Prepare for any specific activities as envisaged
- ✔ Prepare any materials needed
- ✔ Send any relevant material to the participants in advance
- ✔ Confirm the workshop with the participants the day before

The workshop

Before the workshop

- ✔ Read through your workshop plan and schedule
- ✔ Check and go through any material you have sent to participants
- ✔ Are you properly dressed for the workshop – considering also your invitees
- ✔ Arrive at the room at least half an hour before the start time, to set the space out and test facilities
- ✔ Try the biscuits and/or other sustenance
- ✔ Start the workshop with a summary of the objectives
- ✔ Introduce people and roles as necessary
- ✔ Consider a brief (and unannounced) mind-clearing and/or mind-opening exercise before the first main activity.

During the workshop

- ✔ Introduce each activity
- ✔ Run the activity
- ✔ Get and give feedback from the activity
- ✔ Set up sub-groups as required for activities. A rule-of-thumb is that there should be a minimum of 4 and a maximum of 7 involved in each activity; if there are more than 7, split into multiple sub-groups and ask each sub-group to report back
- ✔ End the workshop by summarising (or asking participants to summarise) outputs in relation to the objectives of the workshop, and then asking if there is anything else that participants feel is relevant
- ✔ "Thank you, that's been really useful, now we can …" (and say what you can do next)

Follow-Up

- ✔ Request feedback from participants on the workshop as a whole and on each activity
- ✔ Collect outputs from the workshop (post its, flip charts, transcriptions/ photos of whiteboards, observer/scribe notes)
- ✔ Write up notes (key facts, key issues, points for further investigation)
- ✔ Prepare the report of the workshop (Rapporteur)
- ✔ Send a note to participants with thanks for their participation

(Adapted from: University of Bristol, Southern Universities Management Services,Management Consultants Jack Kenward, October 2003 Process Review Toolkit 825/03-2)

Appendix 3. The Urban Governance Index

The Urban Governance Index (UGI) is a means to measure progress in achieving good urban governance.

What do we mean by good urban governance?

Urban governance can be defined as the sum of the many ways individuals and institutions, public and private, plan and manage the common affairs of the city. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action can be taken. It includes formal institutions as well as informal arrangements and the social capital of citizens.

The Global Campaign on Urban Governance proposes that good urban governance is characterised by a series of principles, which are interdependent and mutually reinforcing. More information on the campaign can be found at: http://www.unhabitat.org/ governance

What is the purpose of the Urban Governance Index?

Within the framework of the Global Campaign on Urban Governance, UN-Habitat is currently developing and testing an index to measure the quality of urban governance. The index has a dual purpose:

- At the *global level,* the index will be used to demonstrate the importance of good urban governance in achieving broad development objectives, such as the Millennium Development Goals and those in the Habitat Agenda. Research at the national level has demonstrated that the good governance correlates with positive development outcomes. The index will also permit the regional and global comparison of cities based on the quality of their urban governance. The process of comparison is designed to catalyse specific action to improve the quality of local governance.

- At the *local level:* the index is expected to catalyse local action to improve the quality of urban governance. Local indicators will be developed by cities and their partners to respond directly to their unique contexts and needs. The Urban Governance Index, therefore, will be supported by tools, training guides and an appendix of additional indicators to help cities develop their own monitoring systems.

What are the benefits of developing urban governance indicators?

- Indicators are essential to assess the effectiveness of policies (eg. decentralization policy, gender policy)

- Indicators can help in monitoring if capacity building efforts yield the expected results (Value for Money; Cost-Benefit Analysis)

- The design of an indicators system can help creating a platform to involve civil society and private sector in local governance

- Indicators give us an objective set of data to feed the review of urban governance strategies when necessary

- Monitoring through indicators can provide an objective account of achievements of local elected leaders (for instance at times of elections).

What is the focus of the index?

The Urban Governance Index and its constituent indicators focus on the processes, institutions and relationships at the local level. This should be seen as part of a wider range of indicators, focusing on inputs, processes, performance, perception, output, or outcome. For example, the following indicators all measure different aspects of the "access to water".

- **Input:** Resources available for improvement of basic services in a municipality ($)

- **Performance:** Average time required by municipal authority to process a water connection (days)

- **Process:** Is civil society involved in a formal participatory planning and budgeting process before undertaking investment in basic services? (Y/N – incremental steps)

- **Perception:** Satisfaction with transparency in access to water (through report card/ survey result)

- **Output:** Households with access to water within 200m of dwelling (%)

- **Outcome:** Under-five mortality rate: of male and female children who die before their 5th birthday (%)

The *structure* of the index reflects four core principles of good urban governance promoted by the Campaign as the overall organising framework for the Index: effectiveness, equity, participation and accountability. The index can then be used to test for correlation between the quality of urban governance and issues such as urban poverty reduction, quality of life, city competitiveness and inclusiveness. Some of these issues are already captured by other indices.

How has the Index been developed?

The Urban Governance Index has been developed jointly by the Global Urban Observatory and the Global Campaign on Urban Governance, supported by selected cities as well as key members of the Campaign's Global Steering Group. An internal UN-Habitat Flex-Team was established to prepare initial framework and indicators in 2002. Initial indicators were developed based on Urban Indicators Programme and in-house research. An Expert Group Meeting made recommendations regarding the structure and content of the index in November 2002. Field-testing was carried out in two stages with a group comprising first 12 and later 24 large and medium-size cities from different regions.[17] It is intended to expand this to a larger group based on the Global Urban Observatory's monitoring programme and through the ongoing city-based work of UN-Habitat programmes. A long-list of indicators was selected for the initial field test with partners. Based on the results, indicators that demonstrated the strongest correlation to the quality of governance have been selected for inclusion in the Index. Opportunities for national adaptation of the Index are being actively pursued, including in Indonesia, Somalia and Sri Lanka. National (multi-city) application is already underway in Zimbabwe and Mongolia. Discussions are ongoing with local authorities' associations to develop a Good Governance Hallmark or Award system for cities based on the Index results.

What criteria are used to evaluate the usefulness of indicators?

A list of criteria was proposed for evaluating the indicators that will make up the Index. The key criteria include the following:

- *Relevance* for monitoring urban governance principles and relationships

- *Ease of collection* including availability and/or effort required to obtain data

- *Credibility* for partners, investors, media, electorate

- *Universality* of use, at local, national, regional, global levels

How can a city design its own governance indicator system?

The following steps are a guideline for designing a local governance indicator system for a particular city or group of cities.

- Step 1: Sensitise local leaders about the importance of measuring progress in improved urban governance

- Step 2: Develop locally appropriate indicators: definition, selection criteria, linkages with other indicators

- Step 3: Define benchmarks and targets

- Step 4: Assigning scoring and weighting to the

indicators and sub-indices and the proposed formulae for the local adaptation of the Urban Governance Index.

- Step 5: Field test in cities

- Step 6: Collect data on a periodic basis

- Step 7: Integrate findings in urban policy development

List of UGI Indicators

The following list gives an overview of 25 indicators, which have been tested in 24 cities. Although some modifications are expected, this list is a starting point for cities, civil society organisations, associations of local government, ministries of local government, or coalitions of these key actors to design their own urban governance indicators systems.

Ideally, the data on the indicators should be collected through a stakeholder meeting where all key urban actors are present. The questionnaire is circulated in advance and the information is discussed and agreed upon by all stakeholders before being fed into the questionnaire. The UGI does not replace or substitute household surveys, citizen's report cards, statistical data or perception surveys. It is a fact-based tool, which can complement the findings of all the above. The UGI is not expensive to undertake. It involves some technical capacity building for a partner organisation which can facilitate the exercise, and the organisation of a one-or-two day meeting for selected stakeholder representatives.

The Index is composed of four sub-indices: Participation sub-index; Equity sub-index; Effectiveness sub-index; and Accountability sub-Index. These are based on core principles of good urban governance, which are accepted and promoted by UN-Habitat and other organisations working in the field of governance.

■ **Effectiveness**

1. **Local government revenue per capita**
   Defined as the total local government revenue (income annually collected, both capital and recurrent for the metropolitan area, in US dollars) per capita (3 year average).

2. **Ratio of actual recurrent and capital budget**
   Assessment of the distribution of local government budget sources. Ratio of income derived on a regular basis (e.g. through taxes and user charges) and that obtained from allocation of funds from internal or external sources.

3. **Local government revenue transfers**
   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.

4. **Ratio of mandated to actual tax collection**
Ratio of mandated tax collected to the actual tax collected. Tax collection is one of the sources of income for the local government.

5. **Predictability of transfers in local government budget**
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?

6. **Published performance delivery standards**
Presence or absence of a formal publication by the local government of performance standards for key services delivered by the local authority.

7. **Consumer satisfaction survey**
Existence and frequency of a survey on consumers' satisfaction with the local authority's services.

8. **Existence of a vision statement**
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?

■ **Equity**

9. **Citizens' Charter: right of access to basic services**
Presence or absence of a signed, published statement (charter) from the local authority which acknowledges citizens' right of access to basic services.

10. + 11. **Percentage of women councillors in local authorities**

10. Women councillors as a percentage of the total number of councillors in a local authority (in the last election).

11. Percentage of women councillors in key positions

12. **Pro-poor pricing policies for water**
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.

13. **Incentives for informal businesses**
13a.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).

13b. Also measures the existence of incentives for informal businesses e.g. street vending, informal public markets, and municipal fairs.

■ **Participation**

14. **Elected council**
The indicator measures whether the local governing council is elected through a democratic process or not.

15. **Selection of Mayor**
The indicator measures how the Mayor is selected, whether directly elected, elected from amongst the councillors or directly appointed.

16. **Voter turnout**
Total voter turnout (both male and female) in percentage in the last election

17. **Public forum**
The public forum could include people's council, city consultation, neighbourhood advisory committees, town hall meetings etc.

18. **Civic Associations per 10,000 population**
Measured as the number of civic associations (registered) per 10,000 people within the local authority's jurisdiction.

■ **Accountability**

19. **Formal publication** (contracts and tenders; budgets and accounts)
Existence of a formal publication (to be accessible) by the local government that consists of contracts, tenders and budgets and accounts.

20. **Control by higher levels of government**
Measures the control of the higher levels of government (National, State /provincial) for closing the local government and removing councillors from office.

21. **Codes of Conduct**
Existence of a signed published statement of the standards of conduct that citizens are entitled to from their elected officials and local government staff.

22. **Facility for citizen complaints**
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.

23. **Anti-corruption Commission**
Existence of a local agency to investigate and report cases of corruption.

24. **Disclosure of income/assets**
Are locally elected officials required to publicly disclose their income and assets (and those of their immediate family) prior to taking office?

25. **Independent audit**
Is there a regular independent audit of municipal accounts, the results of which are widely disseminated?

Appendix 4. Follow-up questions for UGI assessment

Indicator	Comments
Indicator 1	This is "expert information" and should be completed in advance. Sources: local government revenue: audited accounts Population: official statistics (ideally last census plus estimated growth/decline)
Indicator 2	Expert information
Indicator 3	Expert information, Source: audited accounts
Indicator 4	Expert information Participatory question (PQ): What factors account for the difference between mandated and actual collection? Why is there such levels of tax collection/evasion?
Indicator 5	Expert and participatory information
Indicator 6	Expert and participatory information PQ: Are the performance standards adequately publicised?
Indicator 7	Expert and participatory information PQ: Were the results of the survey adequately publicised?
Indicator 8	Expert and participatory information PQ: Is the vision statement widely known and understood?
Indicator 9	Expert and participatory information PQ: Is the charter adequately publicised?
Indicator 10	Expert and participatory information, PQs: How many women stood for election? What is the ratio of those winning to those standing for election? What are the barriers to women standing, being elected?
Indicator 11 & 12	Expert information PQ: what is the awareness of this pricing policy?
Indicator 13	Expert and Participatory information NB: informal business sector representatives must be part of the workshop and must be asked directly to comment on this indicator. PQ: Are the incentives available adequately publicised, and if so through what mechanisms?
Indicator 14	Expert and Participatory information. This question pre-supposes that the elections are free and fair. PQ: Were the elections, in your opinion, well conducted and were they free and fair?
Indicator 15	Sub-question: Are there a mechanism to recall the mayor? (This provision exists in Uganda and Japan and other places.)
Indicator 16	Expert information PQ: Did any particular factors affect turnout positively or negatively? (It might be worth having the previous election's turnout for comparative information.) Does turnout vary significantly between different groups/areas, eg high density and low density areas, men and women, youth?
Indicator 17	Expert and participatory information PQ: Are these adequately publicised? What are the levels of attendance at these?
Indicator 18	Expert information What do we mean by civic associations, CBOs/NGOs? Do we include trade unions, churches (in Africa the Roman Catholic and Anglican churches are very involved in influencing public policy), burial and welfare societies, political parties?

Indicator	Comments
Indicator 19	Expert information PQ: Are these adequately publicised?
Indicator 20	Expert and participatory information, Source: local government legislation, constitution NB "close the local government" must be clarified – does this mean dissolve the council, or as the Thatcher government did, simply abolished the Greater London Council and replaced it with nothing, simply removing its responsibilities to the individual boroughs. PQ: What is the process for "closing the local government", suspending councillors? Is local government the creation of statute, or is it enshrined in the constitution? Is democratic local government enshrined in the constitution, or just local government?
Indicator 21	Expert and participatory information, "Signed by whom?" PQ: Are the codes of conduct adequately publicised amongst the community? Are they enforced and by whom? Suggestion: circulate code and ask community representatives whether they think they are sufficient.
Indicator 22	Expert and participatory information, PQ: Are citizens adequately aware of the correct procedure? Do the correct procedures operate, or do people just try to get results in any way they can?
Indicator 23	Expert information, PQ: Is it adequately publicised?, Do citizens have faith in it?
Indicator 24	Expert and participatory information, Source: legislation,PQ: Is it adequately publicized /available for inspection?
Indicator 25	Expert and participatory information, Source: legislation

Appendix 5. International Peer Review reporting framework

A detailed final peer report is usually prepared after the reviewing peers return to their home country. However, time permitting it can be completed prior to departure.

The report should include, but may not be limited to, the following components.

Background and context

This section should give the context and background of the city.

Place the city in a specific context - the historical, social, geographical and economic characteristics of a country and city. Age distribution and the socio-economic status of the population, as well as income/employment opportunities are important elements in appraising good governance and democracy on all levels. Both the positive and negative features of the city should be highlighted including:

- Brief description of the geographical location of the city, physical size and its population,
- The broad national economic environment – GDP, per capita income
- The existing partnership with the host city, if any.
- The factors surrounding the request for IPR and reasons
- How the PR was facilitated
- The city's political governance structure
- The management structure
- The city's overall budget.

Process adopted/ methodology

Detail the methodology and data used including:

- Literature made available for the study
- Methods of data collection employed
- Facilitation of the PR process.

Recommendations

The recommendations should include:

- A discussion of the overall perceptions of the peer city on their partner's local governance

- Specific recommendations arising from the study.

Appendix 6. Example of a change plan from the City of Masvingo

Identified problem	Agreed solution	Responsibility	Timeframe
PARTICIPATION			
Inadequate communication channels between residents and council	Print important information at the back of water bills, on notice boards and put notices at all area offices	City Treasurer	November 2007
	Revive newsletter and take weekly column officer from the Mirror		
	Place suggestion boxes at all area offices	Town Clerk	Immediate
		Town Clerk	Immediate
Lack of residents-council communication	Televise council proceedings		
	Conduct regular ward meetings	Town Clerk, Residents' Association	2007
	Establish Ward Development Associations	Council, Town Clerk, residents, stakeholders	First half of 2007
	Conduct ward capacity building workshops		
	Increase wards from the current 10 to 18	Council	2007
Inadequate stakeholder representation in Council	Voter education and set minimum votes (%) required to win election	Council, Zimbabwe Election Commission	2007
	Synchronise local and national elections		
EFFECTIVENESS AND EFFICIENCY			
Late payment of council bills by institutions and government departments (60% of council revenue)	Hold workshops with government departments and establishing contacts with key persons Involve key government personnel in council sub-committees/ business Publish names of late payers in local newspapers	Town Clerk Council Chamber Secretary	January 2007
Grants and loans from central government not known in advance	Make representations to central government to ensure grants are known in advance	Urban Councils Association of Zimbabwe (UCAZ) and Council	January 2007
Ineffective collection of outstanding (40%) council debt	Step up collection efforts of outstanding revenue installing updated database to track bad debtors	City Treasurer and Council	January 2007
Shrinking council revenue base	Conduct civic education campaigns to weed out corruption (ward campaigns) and increase supervision Designate land for practice of urban agriculture for a fee	Council Town Clerk, Council	January 2007
EQUITY			
Lack of gender policy	Carry out baseline survey and consultations to come up with council gender policy	Gender focal person	2007
TRANSPARENCY AND ACCOUNTABILITY			
Recruitment of junior staff	Elected officers should not be involved in the recruitment of junior staff and Town Clerk to employ through Ministry of Labour	Town Clerk	As soon as possible

Identified problem	Agreed solution	Responsibility	Timeframe
Lack of code of conduct for employees and councillors	Register the employee code of conduct Consider a code of conduct for councillors	Chamber Secretary	March 2007
Lack of documented City Service Charter	Craft Service Charter through stakeholder participation	Council	October 2007
Lack of information on council proceedings	Mayoral minute to be made available for a fee with free copies at council area offices and libraries	Town Clerk	As soon as possible
SECURITY AND SOCIAL WELFARE			
Crime hot spots - Thefts - Vandalism Places of corrupt activities	Joint municipal police and ZRP patrols of trouble crime spots Carry out awareness campaigns on the ills of corruption, fraud, et.c Building of overnight guarded parking bays to combat car thefts	Chamber Secretary, Council and Residents Association Council	2007
Markets too distant from busy areas	Construct markets closer to built up areas	Department of Housing and Community Services	2007 Budget
Rates and tariffs default	Give water, sewer concessions to senior citizens	Chamber Secretary	February 2007 + ongoing
High unemployment and child delinquency	Aggressive marketing of City's investment opportunities to attract investment, give investment incentives Revival of Junior Council	Council	January 2007

References

1 East Sussex County Council, United Kingdom: Peer Report, November 2006.

2 Pagani, Fabrizio (2002), "Peer Review: A Tool for Cooperation and Change — An Analysis of the OECD Working Method," OECD SG/LEG (2002) 1.

3 See: http://en.wikipedia.org/wiki/Groupthink: Groupthink is a type of thought exhibited by group members who try to minimize conflict and reach consensus without critically testing, analyzing, and evaluating ideas. During Groupthink, members of the group avoid promoting viewpoints outside the comfort zone of consensus thinking. A variety of motives for this may exist such as a desire to avoid being seen as foolish, or a desire to avoid embarrassing or angering other members of the group."

4 Clarkson B E (1995), "Stakeholder framework for analyzing and evaluating corporate social performance", *Academy of Management Review*, Vol 20 no 1,1995, pp 92-117.

5 Hofstede, Geert: Some behaviours associated with high *power distance culture* are: unwillingness to make decisions without reference to the most senior person in the organisation; extreme centralisation of decisions tends to confer importance on those matters referred to higher echelons of the organisation; and a very negative attitude towards criticism, even of a constructive kind.

6 UN-Habitat Global Campaign on Urban Governance, March 2002.

7 ibid, p7.

8 ibid, p13.

9 Institute for Democracy and Electoral Assistance (IDEA) and African Union of Local Authorities (AULA): *Report on Democracy at the Local Level in East and Southern Africa: Profiles in Governance.*

10 Wikipedia.

11 ibid.

12 USAID. *Promoting Transparency and Accountability, USAID's Anti-Corruption Experience,* January, 2000.

13 ibid, p8.

14 See http://www.un.org/Overview/rights.html for a full text of the UN Universal Declaration of Human Rights.

15 World Urban Forum Discussion Paper by Maciek Hawrylak et.al "Freedom from Fear in Urban Spaces", Canada, May 2006.

16 See : http://www.unhabitat.org/governance

17 Cities which participated in the field tests include, in alphabetical order: Amman, Bayamo, Colombo, Dakar, Douala, Enugu, Guadalajara, Ibadan, Ismailia, Kandy, Kano, Louga, Matale, Montevideo, Montreal, Moratuwa, Naga City, Negombo, Pristina, Quito, Santo Andre, Tanta, Vancouver, Yaounde.