CITY PROSPERITY INITIATIVE
A TOOL TO MEASURE SUSTAINABLE URBAN DEVELOPMENT

UN-HABITAT
FOR A BETTER URBAN FUTURE
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UNHABITAT
With 50% of the world’s population living in cities, the battle for sustainable development will be won or lost in cities. Cities are catalysts of productivity, technology and infrastructure expansion capable of influencing regional and global development.

The outcome document of the United Nations Conference on Sustainable Development, entitled “The future we want”, recognizes that if well planned and developed, cities can promote economically, socially and environmentally sustainable societies. However, poor planning, the absence of effective governance and legal frameworks, fragile institutions, low capacity of local authorities, and the lack of a sound monitoring mechanism, reduce the possibility to promote long-term sustainable urban development.

Evidently, there is an urgent need for a global monitoring mechanism, which is adaptable to national and local levels. This would provide a general framework that allows cities, countries, and the international community to measure progress and identify possible constraints, thus pre-empting unintended development.

The Report of the Sustainable Development Solutions Network that supports the Sustainable Development Goals indicates that “data and metrics are essential for development goals to be met“. They enable cities to make correct decisions on the best policies to adopt, and assist in tracking changes, whilst systematically documenting their performance at the outcome level. This is fundamental towards achieving higher levels of urban prosperity and sustainable urban development for all.

“Data needs improving” – stresses the report A World that Counts, prepared as part of the Data Revolution efforts of the UN system. Despite considerable progresses in recent years, whole groups of people are not being counted and important aspects of people’s lives and city conditions are still not measured. This can lead to the denial of basic rights, and the likelihood that people are not able to take full advantage of the transformative potential which urbanization offers.

Too often, existing city data is not adequately detailed, documented and harmonized, or worse, it simply is not available for critical issues relating to urban growth and development. This greatly impacts the quality of decision-making. Cities can and must do better than this.
In 2012, UN-Habitat created a tool to measure the sustainability of cities. This tool, known as The City Prosperity Index, was accompanied by a conceptual matrix, the Wheel of Urban Prosperity. In 2013, UN-Habitat received numerous requests from local authorities and central governments to estimate their respective prosperity indexes. Mayors and other decision-makers wanted to know how their cities feature in comparison with others. This included knowledge on how to improve the quality of life of its inhabitants, including gaining critical insights into which programmes and policies work, and the possible impacts these actions may have.

As a result of these demands, UN-Habitat transformed the City Prosperity Index into a global initiative known as the City Prosperity Initiative. This initiative is both a metric and a policy dialogue, which offers cities from developed and developing countries the possibility to create indicators and baseline information, often for the first time. It also serves to define targets and goals that can support the formulation of evidence-based policies, including the definition of city-visions and long term plans that are both ambitious, and measurable.
Growing and ever more complex cities and their inhabitants no longer make decisions without the benefit of internationally validated data and indices. This information is a pre-requisite to deciding:

- Which policies to implement
- Where to allocate public and private resources
- How to identify setbacks and opportunities
- How to measure what has changed

UN-Habitat’s City Prosperity Initiative (CPI) is an integral part of the Data Revolution for Sustainable Development. It not only aims to integrate new sources of data and increase its usefulness, but also enables city authorities, as well as local and national stakeholders, to identify opportunities and potential areas of intervention for their cities to become more prosperous.

In short, we need accurate, timely and relevant city data to make important decisions about sustainable development. The CPI can play a vital role in this process.
WHY USE THE CPI FRAMEWORK

The CPI offers a unique and holistic view of sustainable urban development. The CPI expresses the different dimensions of city growth in the following four unique ways:

1. **As a Flexible Monitoring Framework:**
   - The CPI serves as a platform for a city to assess its situation and compare it with others worldwide.
   - The CPI acts as a strategic policy tool whereby data and information are adapted to local or contextual needs. The tool is then used to measure progress and identify deficiencies in different dimensions of prosperity.

2. **An innovative tool based on spatial analysis**
   - The CPI measures transformation of a city’s unsustainable form and function.
   - It aims to reinvigorate urban planning and design.
   - It provides adequate laws and institutions.
   - The CPI proposes local economic development solutions.

3. **A framework that promotes integration**
   - The CPI assesses the possibility effects of specific policies on the different dimensions of prosperity.
   - The CPI allows cities to define targets and goals that can support the formulation of evidence-based policies and measurable long-term plans.
   - Policy simulation can predict the impact of alternative policies on the overall urban prosperity level.
CPI accurately determine the positive impact of a selected policy on city growth

Linking policy decisions to future impact assessments enables adoption of multisectoral, integrated actions that can increase the likelihood of better prosperity outcomes for an entire city.

4 A multi-scale decision-making tool

Overall, the CPI produces information at city level, sometimes at sub-city level, critical to support local decision-making in key priority areas of development.

CPI provides information at the regional and metropolitan levels, building links between municipal governments, articulating responses that contemplate city regional development and better integration of sectors.

A FLEXIBLE MONITORING FRAMEWORK

The CPI is not a rigid blueprint, it is a living framework – one that intentionally leaves room for cities to respond to contextual needs, and to move creatively according to their challenges and opportunities. As part of this flexible approach, the CPI has a double function. Firstly, it serves as a platform for global comparison, in which each city can assess its situation, and compare its rate and present performance with other cities worldwide. Secondly, it acts as a strategic policy tool where the data and information is adapted to local or contextual needs, and used to measure progress and identify deficiencies in the different dimensions of prosperity.

Consequently, the CPI is constructed incrementally, at the basic level offering regional or global comparison and at the advanced level providing the possibility to integrate contextual aspects of the city. This incremental approach includes the potential to understand and measure city comparative advantages, as well as policies and actions which the CPI is intended to assess.

The City Prosperity Index uses a set of commonly available indicators that exist among all cities, acting as a platform for regional/global benchmarking and for comparison purposes. A more extended version of the Index allows for a more detailed political and technical dialogue that is essential for the development of more informed public policies and allows practitioners to document performance of the cities at the outcome level.
The form, planning and structure of the city can conspire against prosperity or act together to boost it. Concerned by the need to produce accurate, reliable, timely and disaggregated data, UN-Habitat has created an important innovation in the CPI by integrating spatial indicators and analysis in the different dimensions of prosperity.

According to UN-Habitat, adequate provisioning of streets and public spaces are associated with urban prosperity. Typically, more efficient and productive cities with better quality of life and environmental indicators are often cities with better street-connectivity. In contrast, slums and poor neighborhoods have on average half the proportion of streets compared to consolidated areas of the city. In order to measure this fundamental dimension of the urban form, UN-Habitat has created a composite indicator made of three variables – land allocated to streets, street density and intersection density.

In order to provide ‘the right information on the right things and at the right time’, there is a need of geospatial data, adequate technology and management systems to complement high-quality official statistics. Spatially disaggregated data provides relevant information for policy makers to decide on local-level allocation of resources and the monitoring of equitable outcomes across and within cities and human settlements. Geospatial information needs to be available quickly enough to ensure that the data cycle matches the decision cycle.
A MULTI-SCALE DECISION-MAKING TOOL

The CPI provides national and state/provincial governments, and local authorities with the necessary data and information to articulate various territorial levels for higher coordination of roles and responsibilities.

In some cases, the CPI supports the development and implementation of integrated national urban policies. Decision-makers are provided with the knowledge to make opportune decisions about their cities – small, medium or large – as part of a national system of cities. This helps to amalgamate the dispersed energy and potential of urban centres, establishing a synergetic connection between urbanization and national development.

In other cases, the CPI provides information at the regional and metropolitan levels building linkages between municipal governments, articulating responses that contemplate city regional development and better integration of sectors. The Metropolitan CPI can detect which municipalities or districts are more advanced in the prosperity path, proposing solutions for a more harmonious urban development. The metropolitan area of Guadalajara is a good example.

Overall, the CPI produces information at city level, and when data allows, at sub-city level. This information is critical to support local decision-making in key priority areas of development, such as the strengthening of urban legislation and systems of governance, harnessing the urban economy and creating employment opportunities for all, reinforcing municipal finance, and improving basic service delivery and housing.
A FRAMEWORK THAT PROMOTES INTEGRATION

In efforts towards improving economic productivity or providing infrastructure, some cities may further exacerbate inequalities or negatively impact environmental conditions. The CPI looks at these interactions and measures inter-sectoral relationships, and attempts to reinforce them.

By conducting policy simulations, the CPI assesses the possible effects of specific regression and correlation analysis and association of variables; the CPI can accurately determine the positive impact of a selected policy on city growth.

The possibility of linking policy decisions to ex-ante impact assessments favors the adoption of multi-sectoral, integrated actions that can increase the likelihood of better prosperity outcomes for the whole city.

At the same time UN-Habitat’s Best Practices database was set up to show similar results in implementation of a more prosperous city. UN-Habitat is also working with the University of Sydney to develop an automatized selection and use of best practices for policy purposes.

<table>
<thead>
<tr>
<th>What Makes Cities Sustainable</th>
<th>Characteristics of Unsustainable City</th>
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<tbody>
<tr>
<td>◾ Access by all residents to safe, decent and affordable housing</td>
<td>◾ Insufficient land for Street Development</td>
</tr>
<tr>
<td>◾ Upgrade of slum settlements</td>
<td>◾ Poor provision of public areas</td>
</tr>
<tr>
<td>◾ Adequate public transport</td>
<td>◾ Low residential densities</td>
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<tr>
<td>◾ Creation of green public spaces</td>
<td>◾ Endless peripheries</td>
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| ◾ Poor economies of agglomeration | }
The CPI proposes a limited number of key, transformational interventions, which are designed using the main components of the New Urban Agenda: urban legislation, urban economy and urban planning.

1 Planning and Urban Design

Reinvigorated planning involves political choices and commitments, which must be turned into tools and sustainable technical solutions. The CPI identifies a number of these interventions that can help cities to increase prosperity, such as planned infill development and guided city expansions, multimodal mobility development strategies, neighborhood planning for enhanced social diversity and mixed-land use.

2 Urban legislation and governance

Laws and institutions provide the normative and organizational underpinnings of urban change and the power and rigor generally sustaining continuity or triggering change. The City Prosperity Initiative identifies transformative actions such as the reform of urban legal systems, regulations on urban planning, building regulations and zoning laws, and participatory and inclusive land readjustments.

3 Urban economy and municipal finance

The CPI identifies transformative actions that can help local and national governments develop revenue enhancement plans which can leverage innovative tools and simple, transparent revenue collection mechanisms. These mechanisms can harness and support growth while garnering community buy-in for public sector revenue collection efforts.
UN-Habitat is proposing that national governments and local authorities adopt the City Prosperity Initiative (CPI) as a global monitoring platform for Sustainable Development Goal 11 indicators and other SDGs with an urban component.

It is estimated that around one third of urban-related indicators can be measured at the local level, having a direct connection to urban policies, and a clear impact on cities and human settlements.

Countries which apply CPI will be able to identify, quantify, evaluate, monitor and report on progress they and their cities are making in achieving the United Nations Sustainable Development (SDG) Goal 11.

The new CPI framework can integrate all indicators of Goal 11 and a selected number of other SDG indicators that have an urban component.

**ADDED VALUE OF THE CPI FRAMEWORK**

1. **Adopts a systemic approach of the city.** The CPI offers a holistic view of sustainable urban development. It permits us to establish and understand the aspects of city development. By using this global framework, it is possible to ensure that different targets and indicators of Goal 11 can have a mutually reinforcing effect.

2. **Provides a single value of the state of the city.** As a composite index, the CPI makes it possible to understand the state of a city’s development in a more integrated manner. This helps local and national governments assess the degree to which cities and human settlements are inclusive, safe, resilient and sustainable. At the same time, the SDG targets and indicators can be separated in specific measurements and values.

3. **Establishes benchmarks for local, national and global monitoring.** The CPI methodology has established precise benchmarks with sound techniques of standardization that enable comparisons among different indicators. This is crucial for the creation of a global monitoring mechanism. National governments can adjust the mechanism to specific needs and requirements.

4. **Creates baseline data and information.** The adoption of the CPI enables cities to create baseline data and information, which is extremely important to define local targets, identify setbacks, propose strategies for improvement, and monitor progress.

5. **Establish a global platform for comparability.** The CPI offers a global platform with which to compare cities of developed and developing countries. This is achieved through the use of indicators that are approved and grouped by targets.

6. **Identify priorities of sustainable urban development.** The CPI allows for the separation of different components of sustainable urban development, making it possible to identify progress or lack of it in the different components of the Goals (inclusion, safety, resilience and sustainability). By isolating targets and components or grouping them, it is possible to adopt appropriate policies and corrective measures.

7. **Provides evidence-based metric for policymaking and accountability.** The CPI is a metric and a policy dialogue vital for supporting formulation of policies and actions, based on accurate data and diagnostics.

8. **Creates local and national monitoring mechanisms.** The CPI framework offers the possibility for local and national governments to establish their own monitoring mechanisms and to report in a more systematic manner. At the same time, the CPI remains a global monitoring mechanism that allows aggregate data for regional and global reporting.
**EGYPT**
A basic CPI has been calculated for an impressive number of cities. A sub-sample of 50 cities will have detailed analysis on spatial indicators. Information is linked to national development policies and pro-poor strategies.

**SAUDI ARABIA**
The “Future Cities Program” implemented by the Kingdom of Saudi Arabia is building national capacities for effective evidence-based policy to make 17 cities more inclusive, economically diverse and prosperous.

**VIETNAM**
Ha Noi, HCM City, Hai Phong, Da Nang and Can Tho are part of the CPI in this country. The programme aims to develop an urban observatory system for the monitoring of SDGs indicators with an urban base.

**ETHIOPIA**
The Ministry of Urban Development, Housing and Construction is implementing the CPI in 2 cities (Addis Ababa and Mekelle) with an important component of urban resilience. CPI was associated with the creation of the State of Ethiopian Cities Report.

**WUHAN**
Wuhan Land Use and Spatial Planning Research Center (WLSP) is using the CPI to assess the state of the urbanization in the districts and metropolitan area. The CPI will be used also to support decision-making for developing urban plans and policy development based on evidence.

**BRASIL, ECUADOR, PANAMA, PERU**
A basic and expanded CPI has been produced for the city of Fortaleza, Lima, Quito and Panama. Results were recently discussed with local authorities and stakeholders. CAF, the Developing Bank of Latin America is supporting the CPI in these Latin American cities. The study is concluded and action plans are being implemented for each city.

**COLOMBIA**
As part of the national development plan and the challenges of the Post-conflict the CPI identify priorities for sustainable urban development with 10 lines of actions in 23 cities.

**MEXICO**
The Mexican Housing Bank (INFONAVIT) and The Ministry of Agrarian Territorial and Urban Development (SEDATU) have implemented the Initiative to more than 153 cities.

**SAO PAULO**
The CPI is being used by the Sao Paulo Metropolitan Planning Agency (EMPLASA) as a tool to monitor sustainable urban development of the 39 municipalities of the Metropolitan Region of Sao Paulo.

**CPI CITIES MAP**
The CPI has already been proven in more than 400 cities across the world and as a monitoring framework it has the potential to become the global architecture platform for the monitoring of SDG Goal 11.
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