

Cities that Work 



# Urban governance institutions

Policy options for fast  
growing cities



---

Astrid R.N. Haas  
Shahrukh Wani

April 2019

DIRECTED BY



FUNDED BY



# Urban governance institutions: Policy options for fast growing cities

Astrid R.N. Haas and Shahrukh Wani<sup>1</sup>

## Context

*Developing countries today are home to all of the world's thirty fastest-growing major cities — with sub-Saharan Africa home to twenty-one of these thirty.<sup>2</sup> This rapid growth has made these cities the epicentre for the battle for national prosperity, a struggle whose outcome depends on the policy choices made by city leaders. Policy options which target the institutional arrangements of the city, by incentivising better governance outcomes, are a particularly powerful tool. Focusing on these institutional arrangements, this policy framing paper analyses policy options based on the synthesis of city-experiences and academic literature.*

## Table of Contents

<b>Context .....</b>	<b>1</b>
<b>Introduction.....</b>	<b>2</b>
<b>Policy options for better urban governance .....</b>	<b>3</b>
<b>Allocation .....</b>	<b>3</b>
<b>Capacity.....</b>	<b>9</b>
<b>Legitimacy .....</b>	<b>17</b>
<b>Conclusion .....</b>	<b>21</b>
<b>Further reading: .....</b>	<b>22</b>

<sup>1</sup> This is a draft. The authors are grateful to Sir Paul Collier (Oxford) and Priya Manwaring (IGC) for their elaborate feedback on this paper.

<sup>2</sup> Pilling, D. (2018). *African cities surge to top of global growth league*. *Financial Times*. [online] ft.com. Available at: <https://www.ft.com/content/9d457d54-b272-11e8-8d14-6f049d06439c> [Accessed 2 Apr. 2019].

## Introduction

By bringing people together, cities can be the engines of national growth. This outcome of whether the city can unlock the benefits of people and firms clustering together depends on how the city is governed — that is who makes decisions, how they do it, and how the decisions are subsequently implemented. In turn, much of this depends on the underlying institutional arrangements of the city and the incentives these structures create.

These arrangements are the focus of this policy framing paper, as where governance arrangements are not conducive to effective making and implementation of policy decisions, even the best of plans fail. Karachi's experience highlights this. In 2007, Karachi's City Council drafted and passed a comprehensive strategic plan which included several investments to be made in the city by 2020. However, due to a fragmented governance structure in Karachi, which splits authority between federal, provincial, and city governments, the city government has little authority to implement, or coordinate, this plan.<sup>3</sup> To date, the plan remains largely unimplemented.<sup>4</sup>

At the same time, due to the importance of these institutional arrangements, even a moderate change in them can improve the efficiency and effectiveness of the municipal government overall. This makes institutional reforms a powerful tool for reform for policymakers. For example, in 2011, the decision of the Kampala Capital City Authority to separate the city's revenue generation and expenditure mandates by creating an independent revenue department, contributed to the enabling environment for the city to more than double its local revenue.<sup>5</sup>

This policy framing paper highlights three elements of urban governance institutions — allocation of responsibility, capacity, and legitimacy. Based on these three elements of governance, the paper forwards several policy options, based principally on cross-city experiences and grounded in academic literature. While the list of policy options is not exhaustive, they provide a point of departure for reforms which can lead to institutional arrangements conducive to better decisions and subsequently more effective implementation of these decisions.

---

<sup>3</sup> Ellis, Peter; Friaa, Jaafar Sadok; Kaw, Jon Kher. 2018. *Transforming Karachi into a liveable and competitive megacity: a city diagnostic and transformation strategy (English)*. Washington, D.C.: World Bank Group.  
<http://documents.worldbank.org/curated/en/503701519291571040/Transforming-Karachi-into-a-livable-and-competitive-megacity-a-city-diagnostic-and-transformation-strategy>

<sup>4</sup> Ibid.

<sup>5</sup> Andema, F., Haas, A., (2017) Efficient and effective municipal tax administration: a case study of the Kampala Capital City Authority. London. *IGC Cities that Work Case Study*.

## Policy options for better urban governance

Institutional arrangements tend to be highly context-specific, depending on the distinctive social, political, and economic relationships of the city. This idiosyncrasy means that there is no single template for how these structures should look like. However, cross-city experiences illustrate that good governance is often underpinned by certain institutional characteristics of allocation, capacity, and legitimacy. Each of these features and specific policy options around them are addressed in the remaining part of this paper.

### Allocation

Allocation directly links to *who* makes the decision in the municipal government. Experiences suggest that **clearly defined and integrated allocation of responsibilities** has important advantages in urban governance.<sup>6</sup> In other words, there should be a specified actor to undertake a decision in a city, with a clearly defined mandate for action with little to no ambiguity around this responsibility.

If done well, clear allocation creates three advantages:

- ✓ Clear allocation can lead less **friction**. Friction occurs when there are conflicting or competing mandates leading to ineffective authorising environment.
- ✓ Explicit allocation helps create less **fragmentation**. This reduces governance gaps which emerge when no (active) actor assigned to make a policy decision.
- ✓ It allows for **clarity for external actors**, that is those who interact with the city government are aware of *which* agency is responsible for *what* – creating a common stock of knowledge.
- ✓ It allows for clearly assigned **accountability** to each actor. When an actor has a clear mandate, it makes it easier to be held accountable for their actions by the city leadership.

To be able to improve clarity within allocation, the municipal government can consider the following policy options:

### Strengthening coordination between municipal agencies

In many major cities, as actors have become increasingly specialised to undertake specific actions, the resulting challenge has been the emergence of organisational silos. These silos prevent municipal agencies from sharing information and collaborating to make policy decisions or provide a service.

There is often a trade-off between specialization and coordination, as summarised in the table below.<sup>7</sup>

More specialisation	More coordination
Allows for the actor to focus on building a specific skillset.	Allow for integrated delivery of service and policy.

<sup>6</sup> Venables, Anthony J. "Urbanisation in Developing Economies: Building cities that work." *REGION* 5, no. 1 (2018): 91-100.

<sup>7</sup> Bouckaert, G., Peters, B.G. and Verhoest, K., 2016. *Coordination of public sector organizations*. Basingstoke, UK: Palgrave Macmillan.

Allows for the actor to create a strong common purpose.	Reduces the presence of duplicated or contradictory policy decisions.
---	---

Municipal governments can undertake several policy options, each with associated trade-offs based on the feasibility of the case and the nature of agencies involved.<sup>8</sup> Figure 1 illustrates three such options in relation to whether the municipality wants to promote more specialisation or stronger coordination.



Figure 1: Original illustration on relationship between coordination and specialisation.

Typically, there are two types of agencies which can benefit from more coordination.

First are the **agencies which provide a single service, but across different geographic areas or different parts of the delivery chain, such as transport or housing.**<sup>9</sup> Singapore does this for provision of housing (see **Box 1**).

#### Box 1: Integrating services into a single agency: Example of Singapore

In Singapore, the Housing and Development Board (HDB) acts as a single agency to coordinate the entire housing value chain. HDB's role includes building homes, acquiring the land, resettlement of people in land purchased, providing financing options for potential buyers, and managing sold and rented properties.<sup>10</sup> Singapore's decision to allocate all housing-related functions under a single agency resulted from the need to streamline statutory allocation and, consequently, strengthen accountability.

- ✓ If done well this can allow for **less fragmentation in the delivery of service** by providing users access to a more coherent infrastructure. For example, Helsinki, along with neighbouring eight municipalities, has established a single transit agency — the Helsinki Regional Transport Authority. The agency oversees all public transportation in the region

<sup>8</sup> Peters, B.G., 2018. The challenge of policy coordination. *Policy Design and Practice*, 1(1), pp.1-11.

<sup>9</sup> See for example: Dimitriou, H.T. and Cook, A.H. eds., 2018. *Land-use/transport planning in Hong Kong: A review of principles and practices*. Routledge.

<sup>10</sup> Chin, L., 2004. Public housing governance in Singapore: Current issues and challenges. *Unpublished report, Department of Real Estate, National University of Singapore, Singapore*.

which allows it to have a unified ticketing system. The commuters generally claim to be highly satisfied with this public transport in the area.<sup>11</sup>

### Box 2: Lead agency for public transport

One way to improve the provision of effective mobility infrastructure is to establish a single lead agency to lead on the administration of all public transport in a city.

If done properly, this can help the government to:

- ✓ promote intermodal transport;
- ✓ reduce organisational friction between various transport administrators;
- ✓ help build a unified capacity for urban transport.
- ✓ provide more equal access to services throughout the municipality.

The exact role of these transport agencies varies between cities. Singapore, for example, in 1995 established a consolidated transportation agency, the Land Transport Authority (LTA). Backed by dedicated legislation, LTA has the statutory powers to administer all land-based transport services in the city-state.<sup>12</sup>

Other cities have followed a similar, although slightly differing, strategy, Lagos has established the Lagos Metropolitan Area Transport Authority (LMATA), a single agency to coordinate all transport-related agencies as well as to award concessions and levy transport user fees.<sup>13</sup>

In comparison, Cairo has about 18 separate government entities and four parastatal organisations with a substantial role in Greater Cairo's transportation contributing to a fragmented transport system with little intra-modal integration.<sup>14</sup>

**The second type of agencies which can benefit from more coordination are those with differing, but highly complementary, mandates may also benefit from integration.** The clearest example is the land-use and transport planning which jointly shape the pattern of human settlement in a city.<sup>15</sup>

In many cities, however, their functions are split with the transport agencies, who are usually pre-occupied with the operational development and management of public transportation with little to no focus on the spatial consequences of their decisions.<sup>16</sup> At the same time, land-use

<sup>11</sup> Wilcox, Z., Nohrová, N., 2014. Delivering change: Making transport work for cities Practical policy solutions to improving transport in cities. *Centre for Cities*. Online: <https://www.centreforcities.org/wp-content/uploads/2014/08/14-05-01-Delivering-change-Making-transport-work-for-cities.pdf>

<sup>12</sup> India has also expanded the establishment of single urban transport agencies known as 'Unified Metropolitan Transport Authority.'

<sup>13</sup> Kumar, Ajay; Agarwal, O. P., 2013. Institutional Labyrinth: *Designing a Way Out for Improving Urban Transport Services--Lessons from Current Practice*. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/17630>  
License: CC BY 3.0 IGO."

<sup>14</sup> Gómez-Álvarez, D., Rajack, R.M., López-Moreno, E. and Lanfranchi, G. eds., 2017. *Steering the Metropolis: Metropolitan Governance for Sustainable Urban Development*. Inter-American Development Bank.

<sup>15</sup> McLeod, S., Scheurer, J. and Curtis, C., 2017. Urban public transport: planning principles and emerging practice. *Journal of Planning Literature*, 32(3), pp.223-239.

<sup>16</sup> Cervero, R., 2013. Linking urban transport and land use in developing countries. *Journal of Transport and Land Use*, 6(1), pp.7-24.

planners often fail to adequately consider future transport infrastructure needs.<sup>17</sup> The benefits of integrating these two functions have been summarised in **Box 3**.

### Box 3: Integration of land use and transport planning: Example of Atlanta and Barcelona

Overcoming the lack of integration between land-use and transport planning can have significant positive consequences for city growth.

- ✓ Integrating land-use planning and transport can **help prevent urban sprawl**, that is, where the city spreads out into often sparsely connected low-density human settlements.<sup>18</sup> Instead, by combining the two it can foster denser settlements with well-planned public transportation system. For example, the image below shows two cities, Atlanta and Barcelona, with similar populations but with Atlanta occupying a built-up land area 26 times larger than that of Barcelona. The red line illustrates the public transit lanes in each city. Due to differences in density, the same length of the metro line is accessible to about 60% of the population in Barcelona but only 4% in Atlanta.<sup>19</sup>

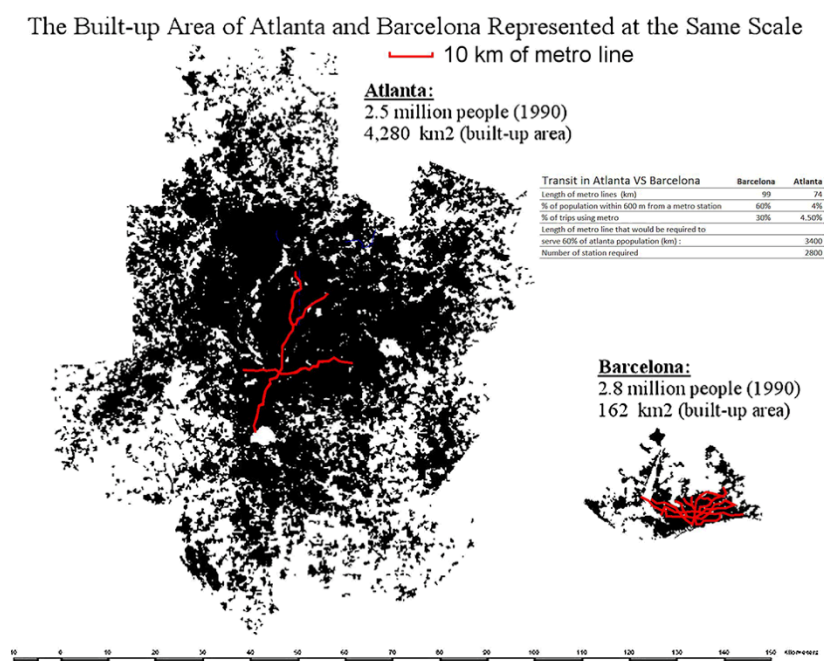


Figure 2: Atlanta and Barcelona urban sprawl.<sup>20</sup>

- ✓ Such integration can also help the city to **leverage land strategically** in areas surrounding major transport infrastructure (such as mass transit

<sup>17</sup> Suzuki, Hiroaki; Cervero, Robert; Iuchi, Kanako. 2013. *Transforming cities with transit: transit and land-use integration for sustainable urban development: Main report* (). Urban development series. Washington, DC: World Bank. <http://documents.worldbank.org/curated/en/947211468162273111/Main-report>.

<sup>18</sup> Doi, K., 2015. Cities and transportation. *Traffic and Safety Sciences—Interdisciplinary Wisdom of IATSS*, International Association of Traffic and Safety Sciences, pp.12-21.

<sup>19</sup> The image is copied from <http://alainbertaud.com>. The personal website of Alain Bertaud, a senior researcher at NYU's Stern Urbanization Project.

<sup>20</sup> The image is copied from <http://alainbertaud.com>. The personal website of Alain Bertaud, a senior researcher at NYU's Stern Urbanization Project.



system), which could provide an opportunity for the city to recapture some of the value of their investments, from the rise in land values. If this is done and properly re-invested, it can help to subsidise collective mobility.<sup>21</sup> The exemplary case here is Hong Kong, where the municipal transit company adopts a “Rail plus Property” (R+P) model of capturing the land value increment around the railway lines. The strategy has been successful, with the revenue from land-value capture usually outstripping the revenue from user fees.<sup>22</sup>

In either case, an outright merger of many agencies might not be feasible or effective, which can limit the use of this policy option. This is in cases where:

- ✗ Legislative or political reasons may not permit mergers;
- ✗ If the agencies’ considered for merger work is not directly and strongly complementary to each other;
- ✗ Where delivery of service or formulation of policy require a vastly different skillset, making a potential merger quite complex;
- ✗ If there are no sufficient financial or human resources to do this.

An alternative can be to **establish ‘softer’ governance arrangements**, such as coordination committees or working groups. They can be temporary, formed when required and subsequently disbanded or they can be permanent. In several municipalities, such softer governance arrangements are used to implement strategies that have cross-sectoral implications.

- ✓ A significant benefit of this option is **that it can leverage coordination and collaboration with a much larger number of stakeholders**. For example, the city of Medellín, in Colombia, has a Municipal Housing Policy Committee, which is tasked to undertake integrated housing planning, brings together the heads of planning, housing, environmental, and public works departments of the city.<sup>23</sup>
- ✓ As this arrangement can also be ad-hoc, it can be flexible enough to be established when needed and dismantled once the goal has been achieved. This means that it does not continue to draw unnecessarily on too many resources. This type of arrangement is used in several Chinese cities for drafting municipal environment protection policies; working groups are set up, headed by a mayor or the vice-mayor, and then disbanded once the policy has been formulated.<sup>24</sup>

<sup>21</sup> Collier, P., Glaeser, E., Venables, A., Manwaring, P., and Blake, M. (2017) Accessing opportunities: policy decisions for enhancing urban mobility – version 2. *IGC Cities that Work Policy Brief*.

<sup>22</sup> Suzuki, Hiroaki; Murakami, Jin; Tamayose, Beth Chiyo; Hong, Yuhung. 2015. *Financing transit-oriented development with land values: adapting land value capture in developing countries (English)*. Urban development series. Washington, DC: World Bank Group. <http://documents.worldbank.org/curated/en/468551468165570019/Financing-transit-oriented-development-with-land-values-adapting-land-value-capture-in-developing-countries>.

<sup>23</sup> Rode, P., Heeckt, C., Ahrend, R., Huerta Melchor, O., Robert, A., Badstuber, N., Hoolachan, A. and Kwami, C., 2017. Integrating national policies to deliver compact, connected cities: an overview of transport and housing.

<sup>24</sup> Kostka, G. ed., 2017. *Local environmental politics in China: Challenges and innovations*. Routledge



- ✖ However, without the right incentive structure, which can promote collaboration between stakeholders, these arrangements can fail to deliver. For example, Dhaka, in 2012, established the Dhaka Transport Coordination Authority (DTCA) to coordinate transport-related activities and undertake strategic planning for the sector in the city. But due to the lack of authority over other agencies in the transport sector, DTCA has been unable to effectively coordinate various actors resulting into fragmented transport infrastructure in one of the fastest growing megacities in the world.<sup>25</sup>

---

<sup>25</sup> Bird, J., Li, Y., Rahman, H.Z., Rama, M. and Venables, A.J., (2018). *Toward Great Dhaka: A New Urban Development Paradigm*.

## Capacity

An effective municipal government requires the ability to make, enforce, and coordinate decisions over an appropriate time-frame. The capacity of municipal governments to implement decisions consists of three main factors.

- The **functional capacity** which depends on adequate resources – that is the right staff and the finances they need to function.
- The ability to **coordinate** decisions and service provision, internally (within the municipal government), horizontally (between it and other relevant municipal governments), and vertically (with higher or lower tier governments).
- The **temporal capacity** to undertake decisions and provide services over a period of time necessary for it to be effective.

This section will specifically focus on coordination and temporal capacity, which can, in turn, help build functional capacity. For example, as the first of the following policy options, shows that improving internal coordination can help build functional capacity.

### An enabling environment for local revenue generation

Many developing cities need to make significant public investments to both improve the quality of life for current residents, but also to plan for future ones.<sup>26</sup> As many external options, such as intergovernmental fiscal transfers are not sufficient, cities need to increasingly rely on their local revenues to finance many of these investments.

Where legislatively municipal governments are permitted to generate local revenue, it still requires investing in the capacity of them to actually be able to fulfil this mandate. A mandate alone isn't worth much. The mandate needs to be translated into ability to identify taxpayers, their tax obligation, and to be able to enforce compliance. This has to be coupled with the coordination capacity to collaborate internally, and externally with other tiers of government as well as firms active in the municipality's jurisdiction, as well as the temporal capacity to set achievable revenue goals over a timeframe.

Focusing particularly on internal coordination, one policy option could be **creating a separate agency within the municipal government for revenue generation**. The trade-offs for selecting this option could include:

- ✓ **By separating revenue collection from expenditure, it reduces the likelihood of the latter ends up taking priority over the former.** After all, it is easier to spend money than to raise it. By separating these mandates, cities can make it conducive to increase their revenue. Kampala provides an example of this. After establishing a dedicated Directorate of Revenue Collection in 2011, the city managed to increase local revenue by nearly three times within four years.<sup>27</sup> This was achieved entirely through administrative reforms that the Directorate was empowered to undertake.<sup>28</sup> In this way, a champion agency can pull the city into a virtuous circle. As good

<sup>26</sup> Collier, P., Glaeser, E., Venables, A., Manwaring, P., and Blake, M. (2018) Land and property taxes: exploiting untapped municipal revenues. *IGC Cities that Work Policy Brief*.

<sup>27</sup> Kopanyi, Mihaly (2015) Local Revenue Reform - Kampala Capital City Authority. London: *International Growth Centre*

<sup>28</sup> Andema, F., Haas, A., (2017) Efficient and effective municipal tax administration: a case study of the Kampala Capital City Authority. London. *IGC Cities that Work Case Study*.

governance arrangements can unlock higher revenue, which can, in turn, be used to finance investments, allowing for further revenue for the municipal government.

- ✗ **However, establishing a new organisation requires investment.** For example, the cost of operations of Kampala's new Directorate of Revenue Collection, as a percentage of revenue collected, increased from a mere 1% in 2011 to about 11% by 2014.<sup>29</sup> Much of this was associated with one-off capital investment in capacity, such as procuring an electronic revenue management system. This investment while significant, paved way from a more considerable increase in local revenue - making the long-run gains from this investment more than worth the initial investment.

### Adequately coordinating decisions and delivery in municipal projects or reforms

For the management of large projects, such as the construction of infrastructure, cities require the capacity to coordinate across multiple agencies in the municipal government.

There are several policy options which can be considered here. One popular arrangement is establishing a **project steering committee** to bring together these actors and create an apex decision making body to oversee the particular project.<sup>30</sup>

- ✓ These steering committees are **most effective when there is a significant alignment of interests between various municipal actors**.<sup>31</sup> For example, in 2013, Baghdad's Deputy Mayor established a steering committee to improve the sewerage system in the city. The steering committee brought together a group of senior municipal staff to provide support and direction of the reform. This initiative has been found to be a key step in improving the effectiveness of the sewerage network of the city.<sup>32</sup>
- ✗ In contrast, if the interests to cooperate are not strong, then this may not be the best method for delivering a project or reform. For example, a survey from municipalities in South Africa found that rivalry between departments is a significant challenge in project implementation.<sup>33</sup>

In such cases, the municipal government can make an explicit policy decision to **appoint a champion agency**, which is a single entity to lead for such projects. Such an agency could be given the responsibility for assisting in the exchange of information, resources, and collaboration among the various actors involved in the project.

- ✓ The advantage of a champion agency is that it allows for a clear line of accountability to be assigned to one actor.
- ✗ Such an agency needs to be fully empowered within the municipal government to function – that it requires a clear backing from the municipal government.

---

<sup>29</sup> Andema, F., Haas, A., (2017) Efficient and effective municipal tax administration: a case study of the Kampala Capital City Authority. London. *IGC Cities that Work Case Study*.

<sup>30</sup> Van der Walddt, G., 2008. Project governance: selected South African government experiments. *Koers*, 73(4), pp.729-750.

<sup>31</sup> Harvard Business Review (2012). HBR Guide to Project Management. *Harvard Business Press*. ISBN 1422187292, 9781422187296.

<sup>32</sup> Gold, Jenny; Roberts, Dawn; Hill, Dale; Fisher, Sharon. 2014. *Improving sewerage services and management for Baghdad citizens using the rapid results approach (English)*. Washington, DC : World Bank Group.  
<http://documents.worldbank.org/curated/en/180701468042548484/Improving-sewerage-services-and-management-for-Baghdad-citizens-using-the-rapid-results-approach>.

<sup>33</sup> Gerrit van der Walddt (2010) Project Governance: A Municipal Leadership Challenge, *Politikon*, 37:2-3, 251-268, DOI: 10.1080/02589346.2010.522337

- ✖ Such an agency also requires a certain degree of internal functional capacity to undertake such a role.

The rehabilitation of Dhaka's Hatirjheel Lake provides one example of using a champion agency to push through a major project. The Bangladesh Army's Special Works Organization (SWO) acted as the lead agency to undertake this cross-sectoral initiative. Backed by strong political support, SWO coordinated among multiple agencies and established a clear division of responsibilities along the lines of comparative advantage of each agency. The lake is considered as a successful example of municipal project management.<sup>34</sup>

Another way such reform can be through creating **a cross-cutting coalition of people within, or from outside, the municipal bureaucracies to push a reform agenda**. This can take the form of a task force. For example, in India, the Bangalore Agenda Task Force was formed with members from within the government and the corporate sector. The body worked with seven key municipal agencies to implement better delivery and implemented various initiatives. In one instance, it assisted in launching a service for self-assessment of property taxes.<sup>35</sup>

The following trade-off is associated with such an arrangement:

- ✓ Task forces may be cost-effective as they often rely on people, who are either already employed or are volunteers.
- ✖ They might not be sustainable as they usually rely strongly on political backing. The Bangalore Agenda Task Force, for example, has since been dismantled because of change in political leadership.

When it comes to undertaking major reforms an increasingly popular **policy option is to establish an intervention-specific delivery unit**. Delivery units are generally small, flexible units located outside the formal administrative and are backed by a clear mandate to undertake a project, usually related to reforming delivery of a service.<sup>36</sup> Each unit can focus on the delivery chain of a single service, that is reforming the *steps* which are to be taken to deliver a *particular* service.<sup>37</sup>

The actual composition of successful delivery units varies. Some general characteristics include small size, as this allows them to be flexible. They also tend to focus on a limited list of priorities backed by a clear mandate and adequate resources. The most effective of these units also tend to have easy access to information, including data so that it can make informed decisions. Critically, the most effective units tend to have a highly visible support from the political leadership and the ability to leverage cross-government coordination. The trade-offs of this option could include the following:<sup>38</sup>

<sup>34</sup> Bird, J., Li, Y., Rahman, H.Z., Rama, M. and Venables, A.J., (2018). *Toward Great Dhaka: A New Urban Development Paradigm*.

<sup>35</sup> Smitha, K.C. and Sangita, S.N., 2008. *Urban Governance and Service Delivery in Bangalore: Public-Private Partnership*. Institute for Social and Economic Change. The task-force has faced criticism of being anti-poor. See for example: Ghosh, A., 2005. Public-private or a private public? Promised partnership of the Bangalore agenda task force. *Economic and Political Weekly*, pp.4914-4922.

<sup>36</sup> Harrison, T., 2016. The role of the centre in driving government priorities: the experience of 'delivery units' (p. 6). Working Paper, *Oxford Policy Management*, Oxford, 2016.

<sup>37</sup> "World Bank. 2010. Ghana's New Approach to Public Sector Reform: Focusing on Delivery. Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/12811> License: CC BY 3.0 IGO."

<sup>38</sup> The list is based on the following (1) Shostak, R., Watkins, J., Bellver, A. and John-Abraham, I., 2014. When Might the Introduction of a Delivery Unit Be the Right Intervention? *Governance & Public sector management*, pp.285741-1368636830774; and (2) Gold, J., 2017. Tracking delivery: Global trends and warning signs in delivery units. *Institute for Government*.

- ✓ These delivery units can improve the provision of a specific service by focusing on eliminating the barriers to better delivery of that service. See **Box 4** for an example.
- ✓ They can also assist municipalities in building additional functional capacity for undertaking specific reforms by sometimes circumventing stringent administrative rules and regulations.
- ✓ They can easily be down-sized as soon as the reform program has ended.
- ✗ The most successful delivery units tend to rely heavily on the political backing such that if the authority changes, these units might not continue to have the political influence they need.<sup>39</sup>
- ✗ Investments in delivery units may also be a crowd-out investment in existing civil service.

To date, most delivery units have been created at a national level. However, there are examples of them being implemented at the subnational level, including, Queensland in Australia and the provinces of Khyber Pakhtunkhwa and Punjab in Pakistan (see **Box 4**).<sup>40</sup> The Haringey Council, a borough of North London set up a Corporate Delivery Unit in 2013 which is considered to be an example of effective implementation of this model.<sup>41</sup>

#### **Box 4: Delivery units to help Punjab improve education outcomes**

In 2011, Punjab, Pakistan's largest province, launched the *Punjab Schools Reform Roadmap*. This is a data-driven, delivery unit-style team, which was set up to push reforms in education. It had a small number of priorities and targets, and was explicitly backed by the political authority of the Chief Minister of Punjab.<sup>42</sup>

The Roadmap team worked as an extension of the Chief Minister's team and was able to push through education reforms by working within, but also crucially, relatively separately from the bureaucracy. This conducive environment was further supported by a dedicated Programme Monitoring and Implementation Unit (PMIU), which worked in coordination with the Roadmap team to provide the information and data on schools. Another key organisation that supported the Roadmap team was the Chief Minister's Special Monitoring Unit, which was set up to provide organisational support.<sup>43</sup>

Between 2011 and 2013, the team claimed that they were able to put one and a half million extra children in school through the reforms they led.<sup>44</sup> While the data has since been contested particularly on learning outcomes, the Roadmap unit is widely credited for improving monitoring and management practices in the education sector

<sup>39</sup> Brock, A., 2014. Pulling the lever: can delivery units deliver? *Mott MacDonald*. London.

<sup>40</sup> Harrison, T., 2016. The role of the centre in driving government priorities: the experience of 'delivery units' (p. 6). Working Paper, *Oxford Policy Management*, Oxford.

<sup>41</sup> Etheridge, Z., Thomas, P., 2015. Adapting the PMDU Model The creation of a delivery unit by Haringey Council, London: a case study. *Institute for Government*.

<sup>42</sup> Barber, M., 2013. The good news from Pakistan: How a revolutionary new approach to education reform in Punjab shows the way forward for Pakistan and development aid everywhere. *Reform*. London. Online: [https://uploads-ssl.webflow.com/59ca37d5fcbf3000197aab3/5be1df67f395d780786441d8\\_Pakistan%20final.pdf](https://uploads-ssl.webflow.com/59ca37d5fcbf3000197aab3/5be1df67f395d780786441d8_Pakistan%20final.pdf) [Accessed 22 Jan. 2019].

<sup>43</sup> Buerkli, D. (2016). *The politics of performance in Punjab - Centre for Public Impact (CPI)*. [online] Centre for Public Impact (CPI). Available at: <https://www.centreforpublicimpact.org/the-politics-of-punjab-performance/> [Accessed 25 Jan. 2019].

<sup>44</sup> Todd, R., Martin, J. and Brock, A., 2014. Delivery Units: can they catalyse sustained improvements in education service delivery. *Cambridge: Cambridge Education*.

of the province.<sup>45</sup> Since then, this approach has been replicated in other sectors in the province, targeting health, water, and solid waste.

### Horizontal coordination with neighbouring municipalities

In many fast-growing cities, the urban population may start to settle beyond the administrative remit of any single municipality. This can lead to fragmented governance as the larger metropolitan area will be made up of multiple jurisdictions, which has consequences for the governance of the city.

- ✓ Evidence suggests that **fragmented governance can lower the productivity advantages of a city**. One estimate puts metropolitan areas with twice the number of municipal governments with around 6% less productivity.<sup>46</sup>
- ✓ Integrated governance can lead to more **equitable access to services**. For example, in several developing cities, residents living in the peripheral location of the city end up paying a more substantial amount to commute. One estimate from Latin America puts this as much as twice than those who live in central locations.<sup>47</sup> The integrated provision of transport, as discussed in the section on *Allocation*, could, for example, mitigate this.

The map of Bangalore (see **Figure 3**), highlights the challenge of fragmented service delivery exists; only the urban core has overlapping coverage for all services.

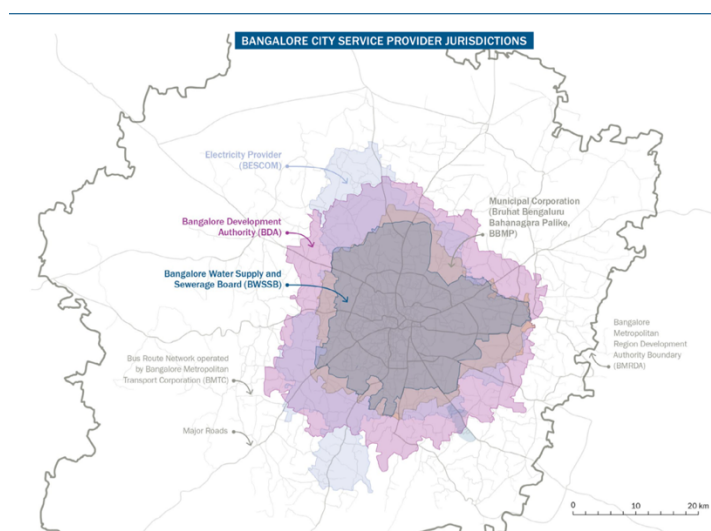


Figure 3: Source: WRI India, prepared for BBMP Restructuring Committee, 2017.<sup>48</sup>

<sup>45</sup> Das, J. (2013). A Data Guide to Sir Michael Barber's "The Good News from Pakistan". [online] Let's Talk Development. Available at: <http://blogs.worldbank.org/developmenttalk/data-guide-sir-michael-barber-s-good-news-pakistan> [Accessed 22 Jan. 2019].

<sup>46</sup> OECD (2015), *The Metropolitan Century: Understanding Urbanisation and its Consequences*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264228733-en>.

<sup>47</sup> Libertun de Duren, N.R., 2018. The social housing burden: comparing households at the periphery and the centre of cities in Brazil, Colombia, and Mexico. *International Journal of Housing Policy*, 18(2), pp.177-203.

<sup>48</sup> Mahendra, A., and K.C. Seto. 2019. "Upward and Outward Growth: Managing Urban Expansion for More Equitable Cities in the Global South." Working Paper. Washington, DC: *World Resources Institute*. Available online at [www.citiesforall.org](http://www.citiesforall.org).

Overcoming fragmentation requires horizontal coordination with neighbouring municipalities. One option is to merge various municipal agencies and create a **single one-tier** consolidated metropolitan governance model.

This option has the following trade-offs associated with it:

- ✓ If done effectively, it institutionalises a consolidated governance structure which can **streamline decision-making** in the city, by allowing for more unambiguous allocation;
- ✓ Consolidated governance can have **significant benefits for functional capacity**. For example, a more extensive jurisdiction could allow for an increased ability for the local government to raise more revenue (although acknowledging at the same time it will have higher cost). An overarching mechanism that allows for revenue collection across jurisdiction becomes particularly critical if wealthier residents of the city move out into the periphery, limiting the property tax base within the core city.<sup>49</sup>
- ✓ A larger consolidated urban government can also benefit from **economies of scale**. For example, a large government would require, and therefore potentially be able, to procure certain goods at the lower-per unit cost.<sup>50</sup>
- ✗ However, a larger consolidated urban government could **undermine the responsiveness and accountability** to its residents, as communication may be more difficult to undertake.<sup>51</sup>
- ✗ Such consolidation can also be **politically costly** as some municipalities may not want to seize control over their jurisdiction.<sup>52</sup>

An alternative to merging jurisdictions is to promote **voluntary cooperation between the municipalities**. This cooperation could be in the form of inter-municipal agreements that allow for collaboration in sector-specific areas, such as transport, or could take the form of a more broad-based structural cooperation.

An example of such cooperation comes from the metropolitan area of São Paulo. The area has a deeply fragmented governance structure. There is the City of São Paulo as well as 38 surrounding municipalities that make up the urban area, without any overarching metropolitan structure for their coordination. Seven of these municipalities, however, collaborate voluntarily through the *Greater ABC Inter-municipal Consortium*. Key features of the consortium include a Council of Municipalities which makes collective decisions, and a Regional Strategic Planning Department which forms thematic groups for specific sectors and is made up of representatives of each seven municipalities.<sup>53</sup>

Such voluntary arrangements can have the following trade-off:

---

<sup>49</sup> Florida, R. (2015). *Rise of the Fragmented City*. [online] CityLab. Available at: <https://www.citylab.com/equity/2015/04/rise-of-the-fragmented-city/391556/> [Accessed 23 Jan. 2019].

<sup>50</sup> Slack, Enid and Côté, André (2014), *Comparative urban governance*, Future of cities: working paper. Government Office for Science.

<sup>51</sup> Slack, Enid (2018). *Options for metropolitan governance in Greater Kampala*. International Growth Centre (IGC) Working Paper. Reference: C-43425-UGA-1

<sup>52</sup> *ibid.*

<sup>53</sup> Kellas, H. (2010). *Inclusion, collaboration and urban governance: Brazilian and Canadian experiences*. University of British Columbia.



- ✓ It may be the only **politically feasible policy option** as it does not require a significant change in institutional arrangements. Therefore, such arrangements can be easily created and disbanded.<sup>54</sup>
- ✓ Voluntary cooperation maintains a **higher level of local autonomy** which mitigates the concerns of responsiveness and accountability associated with larger jurisdictions.<sup>55</sup>
- ✓ If done properly, voluntary cooperation **can pave the way for stronger cooperation** in the future where it may be more politically feasible. This was the case between the municipalities of Marseilles, Marignane, and Saint Victoret in France, where voluntary cooperation led to a formalised metropolitan organization.<sup>56</sup>
- ✗ However, voluntary cooperation might not be sustainable. As such an arrangement is not locked in the institutions, it, therefore, depends on the continued mutual interest of the municipalities. When such interest diminishes, these agreements may end - even if the need for coordination may supersede this.<sup>57</sup>
- ✗ Voluntary cooperation can be costly as it usually requires frequent **negotiation** between municipalities. Such an agreement might lead to people and firms in a city unable to predict all possible outcomes from this negotiation.<sup>58</sup>

### Data for timely and effective decision making

Data is essential for timely, evidenced-based decision-making in cities.<sup>59</sup> In many cities, this data is collected and stored separately by several agencies with little coordination amongst them. Usually, the default option is that the agency closest to the information collects and stores the data. However, if the municipal agencies work in a siloed manner, the data collected by various agencies is likely to differ in quality and format. As a consequence of this, data in many cities remain restricted in its usefulness for governance.

Therefore, the municipal government may decide to **establish a data agency** which is tasked to integrate, standardise, and store the data collected by the municipality. Such an agency could work vertically with agencies which collect data and implement common standards and then store it in an accessible manner.

- ✓ If done properly, this can allow the city to have easier access to data that it requires for effective, evidence-based policy decisions.
- ✓ The data could also be made public to residents to promote transparency, innovation, and accountability, and as a function as part of a city-wide communication strategy. For example, the City of Cape Town has an Open Data Portal which has 129 publicly-

<sup>54</sup> Slack, E., 2007. *Managing the coordination of service delivery in metropolitan cities: The role of metropolitan governance*. The World Bank

<sup>55</sup> *ibid.*

<sup>56</sup> *ibid.*

<sup>57</sup> Slack, Enid (2018). *Options for metropolitan governance in Greater Kampala*. International Growth Centre (IGC) Working Paper. Reference: C-43425-UGA-1

<sup>58</sup> Brown, T.L. and Potoski, M., 2003. Transaction costs and institutional explanations for government service production decisions. *Journal of Public Administration research and theory*, 13(4), pp.441-468

<sup>59</sup> Hao, J., Zhu, J. and Zhong, R., 2015. The rise of big data on urban studies and planning practices in China: Review and open research issues. *Journal of Urban Management*, 4(2), pp.92-124.

accessible data sets. The city also publishes the Transport Development Index to provide an analysis of the city's transport accessibility for different socio-economic groups – a tool in cities public communication strategy.

- ✖ The costs, both financial and in terms of human resources, may restrict the use of this option.

In Indonesia, the World Bank has helped establish City Planning Labs in three major cities. These City Planning Labs are dedicated municipal-level facilities to provide data and analysis to the city, and over time build analytical capacity to use this data to in making planning and investment decisions.<sup>60</sup> In Semarang, one of these three cities, the lab has conducted data analyses of a various data points in the city, including the water supply network and poverty rates, to input into the city's medium-term plan.<sup>61</sup>

---

<sup>60</sup> Yuwono, Thalyta; Sevtsuk, Andres; Amindarbari, Reza. 2013. *City Planning Labs (CPL): a concept for strengthening city planning capacity in Indonesia (English)*. Washington, DC; World Bank Group.

<http://documents.worldbank.org/curated/en/731961468041432789/City-Planning-Labs-CPL-a-concept-for-strengthening-city-planning-capacity-in-Indonesia>.

<sup>61</sup> World Bank. (2016). *How Sharing Data and Collaboration Can Improve Indonesia's Urban Planning*. [online] Available at: <http://www.worldbank.org/en/news/feature/2016/09/22/how-gathering-data-in-one-place-can-improve-indonesia-cities> [Accessed 13 Feb. 2019].

## Legitimacy

Effective municipal governments require legitimacy - which can be defined as the acceptance of the municipalities right to its mandate by its citizens.<sup>62</sup> Legitimacy is a result of both procedures, such as those which engage residents in decision making, like elections, as well as the perceived performance of the municipal government by its residents.<sup>63</sup> Broadly, municipal governments can leverage legitimacy from two sources.

- **Top-down legitimacy** can come from the national (or regional) government, depending on the overall governance structure in the country, one example could be a codified mandate under the constitution.
- **Bottom-up legitimacy** can be derived from the jurisdiction under the governance of the municipal government.

Top-down legitimacy is generally defined by a broader legislative process, due to which it is usually out of a municipality's remit to reform. Due to this, the rest of the section forwards policy options on building bottom-up legitimacy.

## Building bottom-up legitimacy through increased citizen engagement

Engaging with citizens can provide a powerful way to build bottom-up legitimacy. Therefore, one policy option to build this bottom-up legitimacy is by holding **local elections**.

- ✓ Evidence shows that such local elections can help strengthen public accountability and hence build greater legitimacy through increased participation.<sup>64</sup> This is because elections can act as a powerful way for residents to convey preferences to the municipal government.
- ✓ In contrast to when the central government appoints local governments, local elections can align the incentives of the municipal government to respond to priorities and concerns of the jurisdiction it governs, rather than of the national governments.<sup>65</sup>

Holding local elections can have large costs as well:

- ✗ There is a financial cost involved associated with conducting elections. While municipal-level financial estimates are hard to come by, estimates put the cost of hosting multi-party electoral elections ranging from \$6.1 per elector in Liberia to \$20 per elector in Afghanistan's 2004 national elections.<sup>66</sup> While in large municipalities the cost might be lower than national averages due to the presence of better infrastructure, it would still require the appropriate fiscal space to undertake such an exercise, particularly if it the city has not conducted it before.

---

<sup>62</sup> McLoughlin, C., 2015. When does service delivery improve the legitimacy of a fragile or conflict-affected state? *Governance*, 28(3), pp.341-356.

<sup>63</sup> It has been argued that performance-based legitimacy is a weaker bases of public legitimacy. See for example Birney, M., 2017. Beyond Performance Legitimacy: Procedural Legitimacy and Discontent in China. *Department of International Development Working Paper Series 2017*. London School of Economics & Political Science. No.17-189.

<sup>64</sup> Evidence here comes mainly from decentralisation literature. As public accountability is difficult to quantify researchers instead use various proxies, including education such as the case in "Faguet, J.P. and Sanchez, F., 2008. Decentralization's effects on educational outcomes in Bolivia and Colombia. *World Development*, 36(7), pp.1294-1316"

<sup>65</sup> Faguet, J.P., 2014. Decentralization and governance. *World Development*, 53, pp.2-13.

<sup>66</sup> Lopez-Pintor, R. and Fischer, J., 2005, 'Cost of Registration and Elections (CORE) Project', Center for Transitional and Post-Conflict Governance, *International Foundation for Election Systems (IFES)*, Washington D.C.

- ✕ Effective elections also require the appropriate enabling conditions, so the exercise properly elicits people's preferences. These include the right set of institutions to maximise responsiveness, foster genuine competition between competing ideas and prevent manipulation of the electoral process.<sup>67</sup> Evidence suggests that when these conditions are present, elections may increase accountability.<sup>68</sup>

Another policy option could be to leverage participation for specific tasks, such as **participatory budgeting**. This type of budgeting was first implemented in Porto Alegre, Brazil, in the 1980s (see **Box 5**). The policy options since it has become popular globally, with 1500 cities worldwide implementing participatory budgeting to some degree.<sup>69</sup>

While participatory budgeting is often a complement to elections, it can, however, on its own, be able to leverage certain aspects of democratic participation. For example, in a few Chinese municipalities, such as Wenling in the south-eastern province of Zhejiang, participatory budgeting has been done without municipal-wide elections.<sup>70</sup>

- ✓ Overall evidence suggests that participatory budgeting has bolstered local government legitimacy through various channels. Evidence from New York City, for example, indicates that council districts where this mechanism was used had greater feelings of access to and voice in local government, along with a more positive view of the local government.<sup>71</sup>
- ✓ Participatory budgeting can act as a channel for communicating citizens' preferences. For example, one cross-municipality study in Brazil associates participatory budgeting with a significant increase in expenditure on basic sanitation and health services, which reflected the strong preference of the residents.

Its direct implementation varies depending on the city. Generally, it includes the participation of non-elected residents in deciding the allocation of a small, but significant, percentage of municipal investment. Furthermore, effective participatory budgeting requires a discussion that is based on a single, identifiable and answerable question as well as considerable information flow between the participants and the municipal government. The process should ideally be simple, requiring no specialised training. It should be held regularly and with some form of credible commitment that the decisions will be implemented. Many cities also communicate a pre-set amount of capital to the residents which are to be decided through this process.

#### **Box 5: Participatory budgeting in Brazil**

As much as 30% of Brazil's population living in municipalities now use participatory budgeting. The general process, as summarised by Gonçalves (2014) is structured as follows: each city council is responsible for logistically arranging the participatory

<sup>67</sup> LSE-Oxford Commission on State Fragility, Growth and Development (2018) Escaping the fragility trap. *International Growth Centre, London*. Online: <https://www.theigc.org/wp-content/uploads/2018/04/Escaping-the-fragility-trap.pdf>

<sup>68</sup> Chauvet, L. and Collier, P., 2009. Elections and economic policy in developing countries. *Economic Policy*, 24(59), pp.509-550.

<sup>69</sup> Ganuza, Ernesto and Baiocchi, Gianpaolo (2012) "The Power of Ambiguity: How Participatory Budgeting Travels the Globe," *Journal of Public Deliberation*: Vol. 8: Iss. 2, Article 8. Available at: <https://www.publicdeliberation.net/jpd/vol8/iss2/art8>

<sup>70</sup> Wu, Y. and Wang, W., 2012. Does Participatory Budgeting Improve the Legitimacy of the Local Government?: A Comparative Case Study of Two Cities in China. *Australian Journal of Public Administration*, 71(2), pp.122-135.

<sup>71</sup> See for example; Swaner, R., 2017. Trust Matters: Enhancing Government Legitimacy through Participatory Budgeting. *New Political Science*, 39(1), pp.95-108; and/or Wu, Y. and Wang, W., 2012. Does Participatory Budgeting Improve the Legitimacy of the Local Government?: A Comparative Case Study of Two Cities in China. *Australian Journal of Public Administration*, 71(2), pp.122-135.

budgeting meeting. They advertise the timings and provide the technical advertisement to its participants. The council divides the municipality into different neighbourhood administrative regions. Assemblies from these neighbourhoods are then called, in which participants are provided an update on preceding years. This is followed by a discussion on local needs and investment priorities. These meetings end by the election of neighbourhood representatives by the participants. These representatives form part of municipality-wide coordinating meetings who draft the document with the final stage of investment priorities.

This document is then passed to the executive and the participatory council – that latter which is made up of the neighbourhood representatives. The final budget is based on popular priority ranking of the projects, along with the projects' technical and financial feasibility. Even though the city is not legally bound to invest in the projects listed in this popular budget, it does successfully create an established channel to identify priority areas for people. Furthermore, evidence suggests this considerably impacts municipal spending decisions.<sup>72</sup>

Participatory budgeting also has costs associated with them.

- ✖ Like elections, **participatory budgeting is not a quick-win policy option**. It takes time and investment in building the capacity to undertake the process effectively. Including the ability to proactively sharing information with the participant, delivering citizen participation particularly from groups for whom the opportunity cost of involvement is high and building the appropriate administrative capacity.

### Improving city-wide communications

Municipal governments will need to communicate their plans and policies to their residents effectively. If done correctly, public communications can serve to generate public buy-in and also act as a mechanism for the municipal government to receive feedback. Proactive and two-way communication can have significant results:

- ✓ There is evidence that if stakeholders are actively engaged, it could lead to **higher compliance** levels with policy decisions.<sup>73</sup> For example, Lagos has successfully leveraged direct relationships with key private sector associations in the city to increase tax compliance – rising nearly doubling between 2005 and 2015 among large companies.<sup>74</sup>
- ✓ Communication can also help build **trust**. Recent evidence from Pakistan suggests that providing information about improvement in government service delivery can increase peoples trust in public institutions.<sup>75</sup> Trust is, in turn, an essential feature of bottom-up legitimacy.

<sup>72</sup> Gonçalves, S., 2014. The effects of participatory budgeting on municipal expenditures and infant mortality in Brazil. *World Development*, 53, pp.94-110.

<sup>73</sup> There are a number of case studies which demonstrate the importance of stakeholder-targeted communication strategy. For one, see Mastey, S.J., 2008. Communication, coalition building, and development: Public enterprise reform in West Bengal and Orissa States, India. *REFORM*, p.355. Online: <https://elibrary.worldbank.org/doi/abs/10.1596/978-0-8213-7456-6#page=378>

<sup>74</sup> De Gramont, D., 2015. *Governing Lagos: unlocking the politics of reform* (Vol. 12). Carnegie Endowment for International Peace.

<sup>75</sup> Acemoglu, D., Ali A.C., Khwaja, A.I and Robinson, J.A., (2018). "Trust in State and Non-State Actors: Evidence from Dispute Resolution in Pakistan." *NBER working paper*. Note: this evidence is not from an urban setting.

- ✓ Similarly, municipal governments need to communicate with firms, both to **attract investment** from firms outside the municipality, but also to **shape investment decisions** made by resident firms. Effective and proactive communication, for example through plans and strategy documents, can help coordinate these firms' decisions.<sup>76</sup>

To achieve this there are different options. One option is to **manage communications individually through various agencies**, with each agency then singularly responsible for communicating to stakeholders any information concerning their respective mandate. For instance, a department responsible for financial decisions can communicate about projects funded by taxes to taxpayers. The trade-off of this includes:

- ✓ The effectiveness of this is that it mandates each agency, which is best placed to have the appropriate information, to communicate with various stakeholders. In 2008, Lagos, for example, established a dedicated Revenue Complaint and Information Unit based out of its finance department specifically to communicate with taxpayers.<sup>77</sup>
- ✗ However, with multiple agencies involved, it may be challenging to streamline messaging and could lead to conflicting information being provided to taxpayers.

An alternative policy option can, therefore, be to **establish a cross-sectoral dedicated communications department**, which can work horizontally across departments. The communications department can compile information and through this, create a stock of publicly-accessible information of government plans, policies, and anchor projects.

- ✓ If done effectively, this can create a single, compelling narrative for residents of a city.
- ✓ By combining, all external communications function into a single agency; the municipality can benefit from economies of scale, leading to potentially lower costs.

---

<sup>76</sup> Collier, P., (2017). African urbanization: an analytic policy guide. *Oxford Review of Economic Policy*, 33(3), pp.405-437.

<sup>77</sup> De Gramont, D., 2015. *Governing Lagos: unlocking the politics of reform* (Vol. 12). Carnegie Endowment for International Peace.

## Conclusion

The critical challenge for urban leaders is how to govern rapidly growing cities effectively. Doing so requires urban leaders to take urgent decisions which can lead to better governance outcomes. To this end, this policy paper focuses on three elements of governance institutions.

- First is **allocation**, which relates to *who* makes a policy decision in a city. Effectively run cities tend to institutional structures which assign a specified actor with a clearly defined mandate for action, with little to no ambiguity around the actor's responsibility. The paper outlines explicit policy options which can create more integrated allocation; these include outright organisational merger to establish a single agency responsible for a broad mandate, to 'softer' governance arrangements such as coordination committees.
- Second is **capacity** which allows the municipal government to make, enforce, and coordinate decisions over an appropriate time-frame. Institutional changes can help build various features of capacity, including functional capacity, capacity to coordinate, and ability to make decisions of a time-frame. The paper highlights several policy options, including separating revenue generation to a different agency, various institutional structures which can be used to manage municipal-level projects, and those which allow for cooperation with neighbouring municipalities.
- Third is **legitimacy**. Adequate legitimacy depends on the acceptance of the city authorities right to its mandate by its citizens. Legitimacy is not a forgone feature of the city; instead it is the result of deliberate policy options based on procedures, such as those which engage residents in decision making, like elections, as well as the perceived performance of the city government by its residents. The paper considers several policy options including local elections, participatory budgeting, and communications.



## Further reading:

Odugbemi, S. and Jacobson, T. eds., 2008. *Governance reform under real world conditions: citizens, stakeholders, and voice*. The World Bank.

OECD (2015), *Governing the City*, OECD Publishing, Paris.

Global Platform for Sustainable Cities, World Bank. 2018. *Urban Sustainability Framework*. 1st ed. Washington, DC: World Bank

Bouckaert, G., Peters, B.G. and Verhoest, K., 2016. *Coordination of public sector organizations*. Basingstoke, UK: Palgrave Macmillan.

Peters, B.G. and Pierre, J., 2016. *Comparative governance: Rediscovering the functional dimension of governing*. Cambridge University Press.

**Please cite the contents of this document as follows** Haas, A.R.N, Wani, S. (2019). “Urban Governance Institutions: Policy Options for Fast Growing Cities” Version 1. IGC Cities that Work Policy Framing Paper.



The International Growth Centre (IGC) aims to promote sustainable growth in developing countries by providing demand-led policy advice based on frontier research.

## Cities that Work

Cities that Work is an initiative from the IGC to facilitate evidence-based policy decisions on urbanization in developing countries, by synthesizing economic research with the knowledge of urban planning practitioners and policymakers. The initiative is led by Yvonne Aki-Sawyer (Mayor of Freetown), Paul Collier (Oxford University), Edward Glaeser (Harvard University), Astrid Haas (IGC), Jonathan Leape (IGC) Jennifer Musisi (Harvard), Naison Mutizwa-Mangiza (UNHABITAT), Shoaib Rahim (Deputy Mayor of Kabul), and Tony Venables (Oxford University). Please contact us at [citiesthatwork@theigc.org](mailto:citiesthatwork@theigc.org).

The International Growth Centre (IGC) aims to promote sustainable growth in developing countries by providing demand-led policy advice based on frontier research.

Find out more about  
our work on our website  
[www.theigc.org](http://www.theigc.org)

---

For media or communications  
enquiries, please contact  
[mail@theigc.org](mailto:mail@theigc.org)

---

Subscribe to our newsletter  
and topic updates  
[www.theigc.org/newsletter](http://www.theigc.org/newsletter)

---

Follow us on Twitter  
[@the\\_igc](https://twitter.com/the_igc)

---

Contact us  
International Growth Centre,  
London School of Economic  
and Political Science,  
Houghton Street,  
London WC2A 2AE



**International  
Growth Centre**

Cities that Work 

DIRECTED BY



FUNDED BY



Designed by [soapbox.co.uk](http://soapbox.co.uk)