

SELF-ASSESSING SUSTAINABLE LOCAL DEVELOPMENT A TOOL FOR EASTERN EUROPE AND CENTRAL ASIA



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Resilient nations.*



Coverphotos:
UNDP in Europe and Central Asia

ISBN 978-92-95092-75-4

SELF-ASSESSING

SUSTAINABLE LOCAL DEVELOPMENT

A TOOL FOR EASTERN EUROPE AND CENTRAL ASIA

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ACKNOWLEDGEMENTS

Many people contributed to bringing the Self-Assessment Tool for Sustainable Local Development (SAT4SLD) to life. I would like to thank Annie Demirjian, Democratic Governance Practice Leader for UNDP's Regional Bureau for Europe and the Commonwealth of Independent States (RBEC). She provided guidance on developing the methodology and prototyping different versions of the tool. Zhanna Pilving, Governance Programme Officer at the UNDP Bratislava Regional Centre (BRC), was a great help in both writing and field testing the methodology.

Stephan Schmitt-Degenhardt provided the inspiration for the SAT4SLD framework and also provided detailed expert advice on questions related to the private sector. Other BRC colleagues provided expert input: Michaela Lednova on civil society, Marina Olshanskaya on sustainable energy, Michael Thurman and Anna Kaplina on disaster risk reduction and climate adaptation, and Maxim Vergeichik on natural resource management. Robert Bernardo provided a comprehensive and practical review of SAT4SLD and gave the tool its moniker. Peter Serenyi, Editorial Specialist at the UNDP BRC, reviewed the prototype version of SAT4SLD and suggested how the tool should be presented, as well as later advised on the production process. Nina Maršálek provided research for the initial version. The collegial environment of the UNDP BRC made development of the tool possible.

I want to give special thanks to the UNDP programme and project staff and their partners who volunteered to implement the tool as part of the prototyping and piloting process, and who provided valuable feedback that was incorporated into this version. In Uzbekistan, under the Local Governance Support Project, this includes Azizkhon Bakhadirov, Dilshod Isroilov, Aziza Umarova and the cities of Namangan and Jizzakh. In Ukraine and under the Community-Based Approach to Local Development Programme this includes Anna Aladzhalian (Volodymyr Dahl East Ukrainian National University in Luhansk), Yuriy Petrushenko (Sumy State University), Denis Poltavets, Oksana Remiga, Olena Ruditch, Jaysingh Sah, and Yuliya Shcherbinina and the rayoni (districts) of Antracitivskiy (Luhansk region) and Gluhivskiy (Sumy region). In the former Yugoslav Republic of Macedonia and under the Local Development Project, this includes Ilmiasan Dauti, Marijana Milevska (Preda Plus), Toni Popovski, Mihaela Stojkoska and the municipalities of the Vardar Planning Region.

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WHAT IS THE SELF-ASSESSMENT TOOL FOR SUSTAINABLE LOCAL DEVELOPMENT?

What is the Self-Assessment Tool for Sustainable Local Development?

SAT4SLD helps local actors to assess their current status and create consensus on pathways towards a more sustainable future by simultaneously addressing governance, socio-economic and environment issues. As a dynamic tool, the analysis is meant to be repeated over time to help the municipality to assess progress and adjust their activities and investments accordingly. SAT4SLD assumes that sustainable local development is based on local initiative so it is important to have a locally-owned process of monitoring progress or decline across sectors and actors. Not only can local actors best understand their priorities, needs and assets, but they have the most at stake in strengthening well-being within their community. They simply need some guidance in how to measure the multi-dimensional basis of well-being for current and future generations.

SAT4SLD is intended to be used as a companion to local governments' strategic planning process that is carried out every few years and updated on an annual basis. The three stages of the SAT4SLD analytics can be carried out alongside development or updating of a locality's strategic plan, helping the local actors to answer these key questions:

- **STAGE 1: SITUATION ANALYSIS**

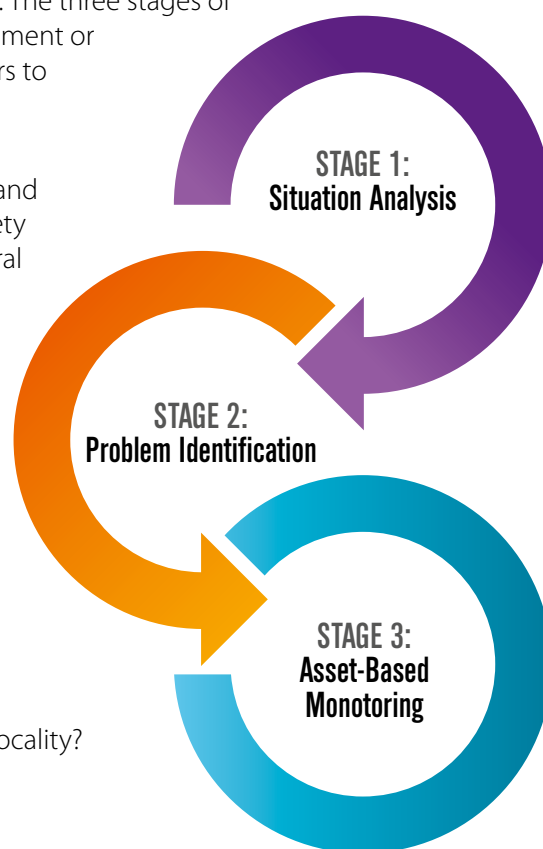
Today, how are we – local government, community (and those representing the community, such as civil society organizations (CSOs) and media), private sector, natural resource users/protectors – promoting honest and responsive government, safeguarding fair and efficient use of local resources, generating employment, and ensuring equal access to jobs and quality public services?

- **STAGE 2: PROBLEM IDENTIFICATION**

How can we work together more effectively to improve quality of life in our locality today and for future generations? Do we have the commitment, capacity and means to achieve what we want?

- **STAGE 3: ASSET-BASED MONITORING**

How can we take stock of our assets and how can we enhance these assets for future development in our locality?



Why is the Self-Assessment Tool important?

This tool equally considers **the environmental sustainability, governance, socio-economic development and social inclusion aspects of sustainable development** including gender equality and empowerment of vulnerable groups. Given the region's uneven economic growth (centred in capital cities), it also emphasizes the need for enhancing local wealth (including through prudent use of natural resources) and private sector stimulus and development.

While cities globally are vocal supporters of sustainable development, the region of Eastern Europe and Central Asia is very much behind for several reasons. First, decentralization processes have stalled in most of the countries, which robs local actors of resources and initiative. Second, local actors are less exposed to trends and innovations happening elsewhere, partly due to language issues. Third, local actors do not have a framework for critical self-analysis. Without self-analysis they are driven by the sectoral priorities of national ministries, politically-motivated strategies and programmes of central governments, or by interventions of external actors who have particular goals which may or may not be aligned with those of the local actors.

Who is This Tool for?

SAT4SLD is intended for local actors:

- local government;
- community and those representing community such as CSOs and local media;
- farmers and other users of natural resources;
- entrepreneurs and business owners.

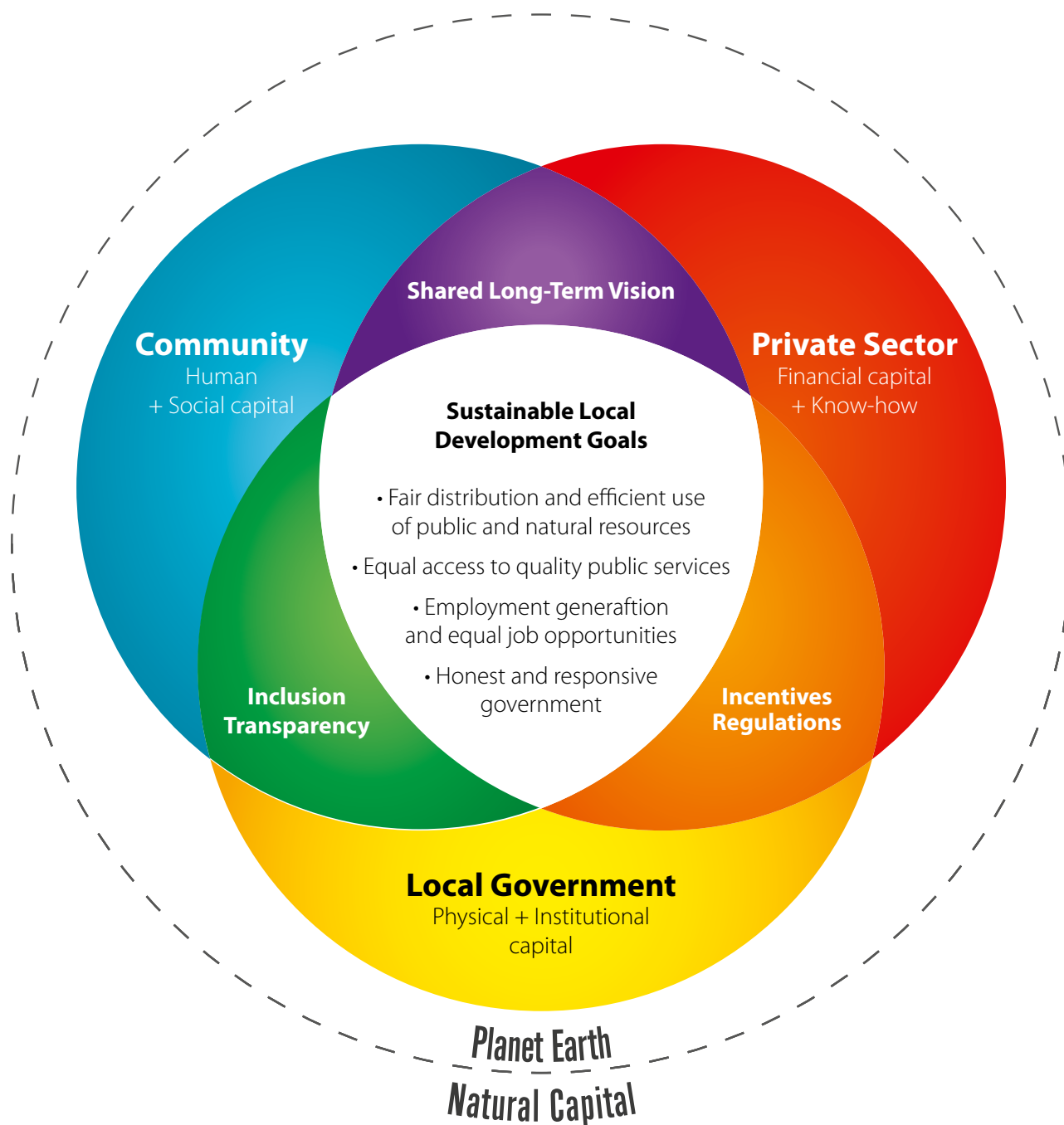
Of these, the local government is the institution best equipped for bringing together local stakeholders to create a common vision for sustainable development and then carrying out that vision through collective action. Ownership within the local government is vital for ongoing improvements. To that end, a large share of the questions are based on the responsibility of local authorities to promote – within their own administration and within civil society and the private sector – environmentally sustainable practices and inclusive approaches to socio-economic development.

UNDP Country Offices (COs) can use SAT4SLD together with the complementary publication *Programming Sustainable Local Development: A Handbook for Eastern Europe and Central Asia* to support local counterparts in adopting a holistic perspective for their development; the authors welcome customizing the tool per country, sub-national region and/or locality to make it more useful for the particular context. It is meant to overcome the tendency of individual UNDP practices to engage with counterparts on a sectoral basis, thus shortchanging the analytical and deliberative process of comparing the assets and gaps across sectors and finding synergistic solutions. In supporting counterparts in the use of SAT4SLD, UNDP COs are encouraged to involve multiple practices in the analysis process, as well as ensure a multi-stakeholder approach within each locality. While UNDP programming can create impetus for sustainable local development and support the locality in its initial analysis, the municipal administration and other local actors should incorporate this analysis into their regular planning processes and use it for improving their performance over time.

Conceptual Approach

The integrating framework for SAT4SLD is provided by four universal sustainable development goals in the centre of the figure below. These four universal sustainable development goals can only be achieved through joint efforts of the local government, community and private sector. (Note that representatives for the environmental sector will come from each actor group – local government staff members with knowledge of energy or water issues, environmental NGOs, and individuals/businesses that utilize natural resources.)

FIGURE 1: CONCEPT OF A SUSTAINABLE LOCAL DEVELOPMENT SYSTEM



Relations among these actors should be governed by the principles of **long-term vision, transparent decision making, inclusion and empowerment, and incentives and regulation**. When these principles are followed properly, there will be greater willingness among the actors to work together. SAT4SLD promotes the cooperation of local actors in collective action and specific examples are provided under Stage 2: problem identification. The table below explains how following these principles supports achievement of the sustainable development goals.

TABLE 1: GOOD GOVERNANCE PRINCIPLES IN RELATION TO UNIVERSAL SUSTAINABLE DEVELOPMENT GOALS

Good Governance Principle	Universal Sustainable Development Goal
<p><i>Long-term vision:</i> This means bringing an ecosystems (or closed loop) approach to resource use whether in the public or private sector. In accounting terms, it means spending the “income” not the “principal” of the earth’s natural capital so that ecosystems do not lose the ability to replenish themselves. It implies a re-thinking of production processes for minimization of waste or re-use of waste for energy or other useful purposes.</p>	<p>Fair and efficient use of public and natural resources</p>
<p><i>Transparent decision making</i> This means creating integrity in governance systems through clear and open processes, particularly on decisions of how public resources are used and distributed. Public resources include land, forests, fresh water, extraction fees, tax revenues, and infrastructure, such as buildings, roads and energy and water distribution systems. It requires an active citizenry and civil society to make use of access to public information and hold government leaders accountable for their decisions.</p>	<p>Honest and responsive government</p>
<p><i>Incentives and regulation</i> It is the role of the government to institute legal regulations and for civil society in partnership with private sector to foster moral incentives that create a corporate social responsibility as a check against short-sighted or discriminatory behaviour. At the same time, the profit-making incentives that drive innovation and allow companies to expand their workforce must not be undermined by governmental regulation and bureaucracy.</p>	<p>New jobs and equal opportunity to gain employment</p>
<p><i>Inclusion and empowerment</i> This requires a proactive approach to including vulnerable populations in decision making and ensuring that they have equal access to public services by understanding their specific accessibility challenges, which may be due to physical characteristics or social or economic conditions.</p>	<p>Equal access to quality public services</p>

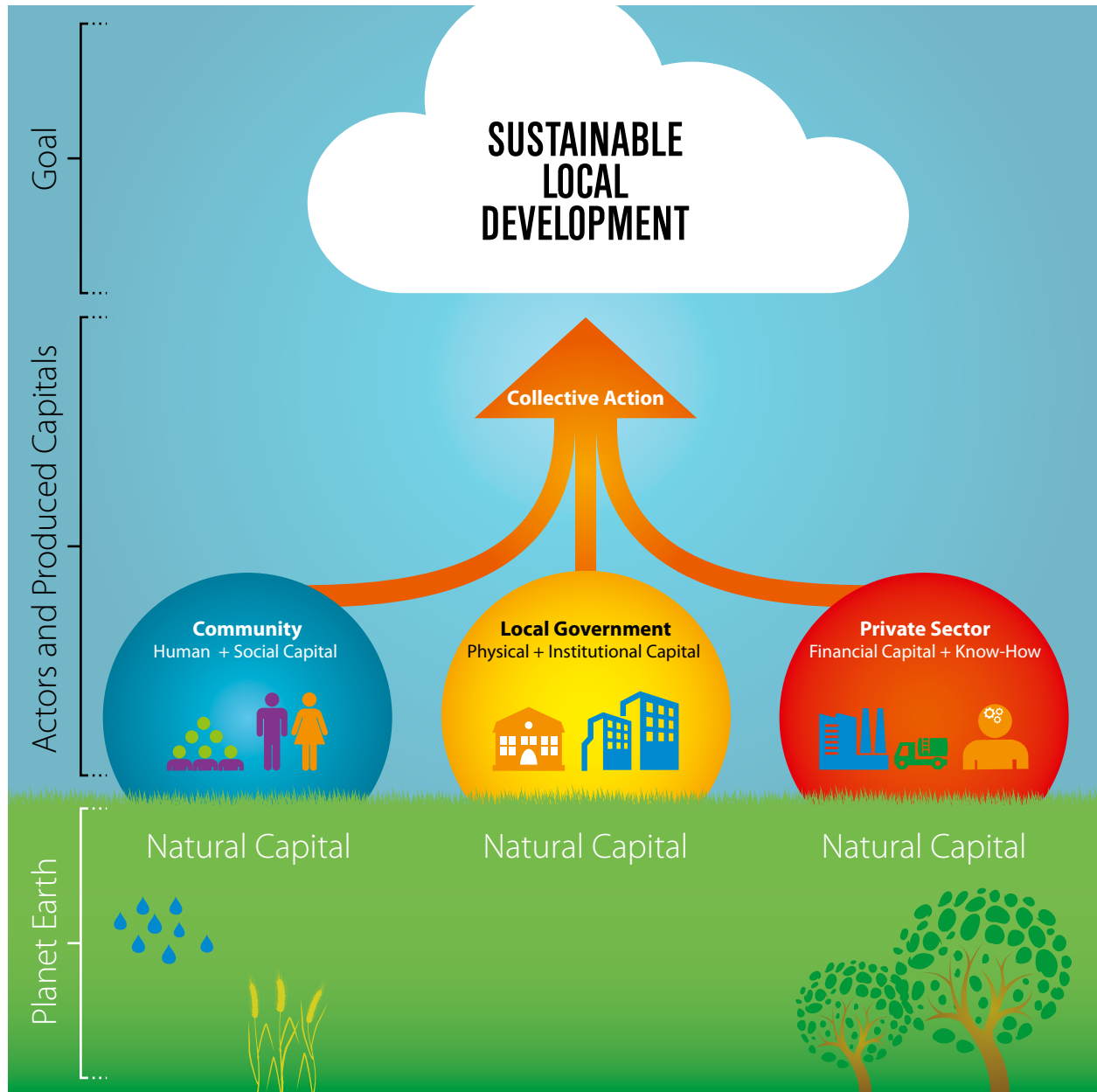
Local actors should follow these principles in using the locality’s natural assets and produced assets. The locality’s assets can be grouped into seven forms of capital:

- natural capital;
- physical capital;
- institutional capital;
- social capital;
- human capital;
- know-how capital;
- financial capital.

Natural resources (natural capital) include air, water, minerals, energy resources, forests, urban green areas, and developed, agricultural, and pastoral lands. In Figure 2, natural capital – what planet Earth gives us – is presented as the basis from which the other six assets of the locality can develop. The other assets of the locality are placed in the figure next to the main actor group to which it is most closely (but not exclusively) identified: local government, community, and private sector. The local government, together with central government, builds the infrastructure (physical capital) that is needed for public services and mobility and maintains cultural heritage. Local government must develop its institutional capacity (institutional capital) for planning and management of the local system. The community, including CSOs and local media, encourages residents to be active in public affairs and builds trust across groups (social capital). People in the community aim to be healthy, educated, and have relevant skills for the labour market (human capital). The private sector develops and transfers appropriate technology (know-how capital) and invests in production (financial capital).

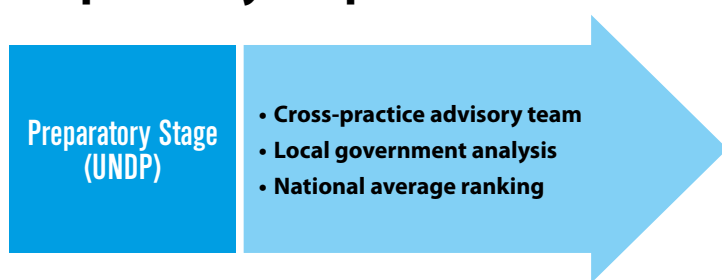
The term “capital” is intentionally used to show that these assets do not have a fixed identity, but rather have a certain value that can be diminished or enhanced by the actions of the local actors. This value must be measured so that it is appreciated and brought into local planning and other decisions made at the local level.

FIGURE 2: ACTORS AND CAPITALS WITHIN A SUSTAINABLE LOCAL DEVELOPMENT SYSTEM



HOW TO USE THE SELF-ASSESSMENT TOOL

Preparatory Steps For UNDP



STEP 1: **Form a Cross-Practice Advisory Team**

Form a cross-practice advisory team.

A preparatory stage carried out by UNDP staff precedes helping municipalities to apply the self-assessment tool. The first

preparatory step is to form a cross-practice team of UNDP staff to advise on the preparatory stage and later stages to ensure that a particular sector/actor/issue is not neglected or overlooked. This advisory team could consist of CO programme and project specialists in local governance, poverty reduction, private sector development, environment, energy, disaster risk reduction, civil society and health.

STEP 2: **Analyze Local Government Functions**

Analyze local government functions in relation to sustainable development. In the preparatory stage, UNDP staff should perform an analysis of local government functions and capacity with a focus on areas relevant to the country's sustainable development goals. The immediate objective is to ensure that in implementing SAT4SLD, the sub-national planning processes will connect national priorities with action on the ground. Another long-term objective is to improve the policy framework within which local governments operate so they can better deliver on the country's sustainable development goals at the local level. While individual local governments may strive towards sustainable development, they require national support through political and administrative decentralization and fiscal empowerment as well as technical capacity development.

Within the framework of the country's main development goals, the local government analysis will identify where the legal and policy framework (including local government law and sector legislation):

- assigns tasks to local governments without adequate fiscal empowerment or technical support to implement these tasks;
- has the potential to promote environmental sustainability and social inclusion in the definition of local government functions.

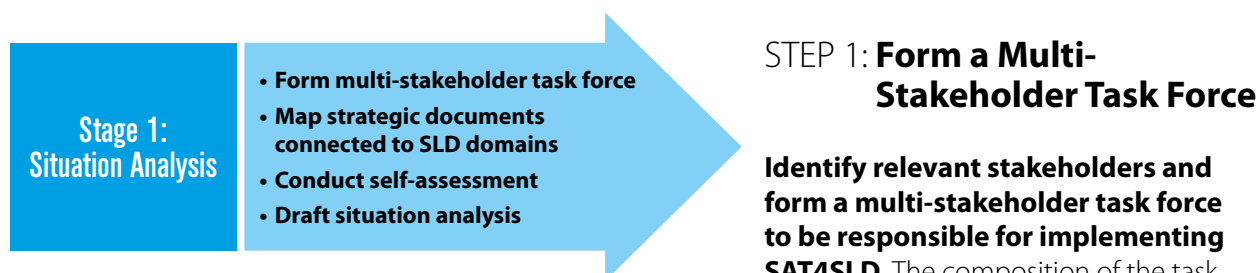
UNDP staff can refer to the framing analysis in *Programming Sustainable Local Development: A Handbook for Eastern Europe and Central Asia* for step-by-step guidance.

STEP 3: **Review Questions and Form National Ranking**

Review questions and form national ranking. Prior to working with municipalities, UNDP staff together with national experts should review the series of questions for each of the actor groups for relevance and comprehensiveness. There is a separate module for each actor group: local government community, private sector and resource users/protectors (hereafter "environment"). The tool is designed so that issues of sustainability and inclusion are incorporated into each module. The UNDP staff together with national experts can create an initial average national ranking for the same questions. The process of creating the average national ranking may reveal if adding, removing or re-wording some questions is necessary. Questions for each of the actor groups are in Annex 1.

STAGE 1: Situation Analysis

This first stage of applying SAT4SLD will create a situation analysis based on the responsibilities and activities of the four main actors (sectors) relevant for sustainable local development: local government, community, private sector, and environment.



force should be gender balanced and reflect the four major actor groups (local government, community, private sector, and environment). The main task of the task force at this point is to identify and reach out to the main stakeholder groups. For example, representatives of the private sector are responsible for the self-assessment of Module 3 with the private sector stakeholders. As experience shows, the involvement of academics in the self-assessment process as moderators/facilitators and later at the stage of data analysis has a positive effect on the quality of results.

Table 2 shows illustrative stakeholders for sustainable local development. The municipality should make an extra effort to include in the task force those actors who are generally under-represented in decision making, but have a strong interest in sustainable development because it affects their livelihoods or the services they receive (or should receive).

TABLE 2: ILLUSTRATIVE STAKEHOLDERS FOR SUSTAINABLE LOCAL DEVELOPMENT

GOVERNMENT	COMMUNITY	PRIVATE SECTOR
Local council	Community-based organizations, self-help groups, community leaders, youth groups	Business organizations (e.g. Chamber of commerce)
Executive branch/local government departments	Professional and religious associations	Financial institutions, including microfinance organizations
Regional authorities	Vulnerable populations and their advocacy groups, local community service organizations	Large and small businesses
Local offices of national ministries	Local media and academics	Training institutions/vocational education institutions
NATURAL RESOURCE USERS/PROTECTORS – “ENVIRONMENT”		
Actors from government, private sector and civil society with environmental interests and knowledge : Local utility providers, resource user associations (farmers, hunters, fishermen, tourism operators), energy producers (existing and potential), Local environmental NGOs and environmental specialists from regional academic institutions		

STEP 2: Map National and Local Strategies

Map how existing national and local strategies (e.g. economic development, low emission development) and plans (e.g. spatial plans, energy efficiency plan) connect to the 16 domains of SAT4SLD.¹ This will help in conducting the situation analysis, and also identify whether there is a coherent policy framework to support sustainable development.

For each main actor group there are four domains:

- **local government** – ability to deliver basic and social services, plan effectively as well as manage finances and procurement procedures with efficiency and transparency, and provide easily accessible administrative and support services to residents and local businesses;
- **community** – social cohesion, gender equality, the structure of CSOs and their ability to cooperate, and mechanisms for participation and public debate, including support by local media;
- **private sector** – labour issues, the business landscape including public-private dialogue, business support services including access to financing, and business integration including specialization and value chain connection;
- **environmental sector** – how well the municipality is doing in terms of managing natural resources, promoting sustainable energy and sustainable agriculture, and planning to reduce risks from natural disasters and climate change.

TABLE 3: DOMAINS OF THE MAIN ACTORS FOR SUSTAINABLE LOCAL DEVELOPMENT

LOCAL GOVERNMENT	COMMUNITY	PRIVATE SECTOR	ENVIRONMENT
Basic and social services	CSO landscape	Business landscape	Natural resource management
Planning, infrastructure investment and land development	Gender equality	Business support services	Disaster risk reduction and climate adaptation
Financial management and procurement	Social cohesion	Labour	Sustainable agriculture
Administrative and support services	Participation and public debate	Business integration	Sustainable energy

The task force should conduct an express analysis of the main strategic documents related to the above-mentioned domains, including the most recent strategies and plans developed at the local/regional level as well as legislative acts concerning national priorities. UNDP can assist with this analysis, particularly with regard to national strategies and legislation. Attention should be given to the strategic plans and regional/local development strategies. When such plans already exist in the given locality, the task force should analyze the possibility of incorporating aspects of environmental sustainability and social inclusion (the main principles of SAT4SLD) into the existing methodologies. A deeper research into specific sectoral strategies and legislation can be conducted at a later point (draft situation analysis) based on priorities and critical issues identified through the self-assessment.

¹ Note that the Local Government Analysis performed by UNDP as a preparatory step can be useful here. Legislation that creates the enabling framework for sustainable local development, for example, a law on public access to information, can also be included.

STEP 3: Conduct self-assessment

Conduct self-assessment with stakeholder groups using an interactive format.² The members of the task force will first review and answer the questions themselves. This will help them to better understand the domains and make sure that all important aspects for the given locality are properly reflected in the questionnaires. Questions for each of the actor groups are in Annex 1.

Next, the task force will complete a list of main stakeholder groups and sub-groups and identify the method of data collection using, for example, a simple template below. Each sub-group should be assessed from the perspective of its size, importance and character (openness to discussion, raising controversial issues and expressing opinions) to select the appropriate data collection methods.

TABLE 4: MAIN STAKEHOLDER GROUPS AND DATA COLLECTION METHODS (TEMPLATE)

Local government		
Main sub-groups	Data collection method	Preliminary deadlines
1.		
2.		
Private sector		
Main sub-groups	Data collection method	Preliminary deadlines
1.		
2.		
Community		
Main sub-groups	Data collection method	Preliminary deadlines
1.		
2.		
Environment		
Main sub-groups	Data collection method	Preliminary deadlines
1.		
2.		

It is recommended to hold separate discussions with individuals and organizations representing each major actor group. The groups can also be broken into sub-groups (e.g. local government elected officials and staff). **The methods for data collection include:**

1. focus groups with the stakeholder groups/sub-groups:
 - stakeholders may agree on group ratings based on consensus;
 - stakeholders may give individual ratings that will be later aggregated (average).
2. individual interviews, especially with the heads of local government;
3. anonymous surveys;
4. online surveys.

² An appropriate interactive format would be focus groups. To reach more stakeholders, brief anonymous surveys and individual interviews can complement the focus group discussions. Note that the Participatory Rural Appraisal Method can be used as a methodology for discussing these questions among key stakeholder groups.

Then, members of the task force conduct meetings with the identified stakeholders according to the previously identified method of data collection. Ideally, focus groups meetings should be facilitated by a neutral representative of academia (e.g. from the local/regional university), who will be involved in the data analysis later on. The facilitator should be cautious about expressing his/her expert opinion to avoid undue influence on the opinion of the group. The relevant representative of the task force might be present (but does not have to be), his/her main task being outreach to all relevant stakeholders' groups and sub-groups.

Each group will complete the questions for its related sector. Next, the actors respond to the best of their ability to the questions for the other three actors/sectors (optional). **Local government officials respond to questions of all four domains.**

To record responses to these questions, SAT4SLD uses a simple ranking of 1 to 5, further explained in the table below.

TABLE 5: RATING SCALE FOR SELF-ASSESSMENT

Rating	Explanation
1	Current situation in the locality does not meet this condition
2	Condition is satisfied according to plan/law but in practice cannot be satisfied because funds, capacity, and/or awareness is lacking
3	Condition is partially satisfied (not reaching all population or all areas all the time)
4	Current situation in the locality meets this condition but improvements are still desirable
5	Current situation in the locality satisfies this condition and no additional efforts needed

A simple ranking was selected for two reasons. First, this allows non-experts to contribute to the assessment process. Second, it avoids the common problem that data are not disaggregated by locality. This is not to say that statistical records cannot be used in making the rankings, but they should not be considered the sole source.

In addition to the rankings of the individual questions, the focus groups should be asked to discuss which of the questions in each domain are most important (relevant) for their locality and which domains are most important. These should be asked both from a positive perspective (e.g. assets on which the locality can develop comparative advantage) and a negative perspective (e.g. environmental degradation or critical gaps for socio-economic development). All responses and proposals should be carefully recorded by the facilitator

STEP 4: **Draft the Situation Analysis**

Draft the situation analysis based on conclusions of the various discussions and a review of the relevant existing strategies and plans. The situation analysis should bring out the similarities and differences in the rankings among the different actors, as well as factors considered most important (as either assets or gaps). The conclusions will note where perceptions coincide and differ among the stakeholder groups, both on the current situation and on priorities.

The task force first analyzes the data received from the self-assessment process, focusing on questions that:

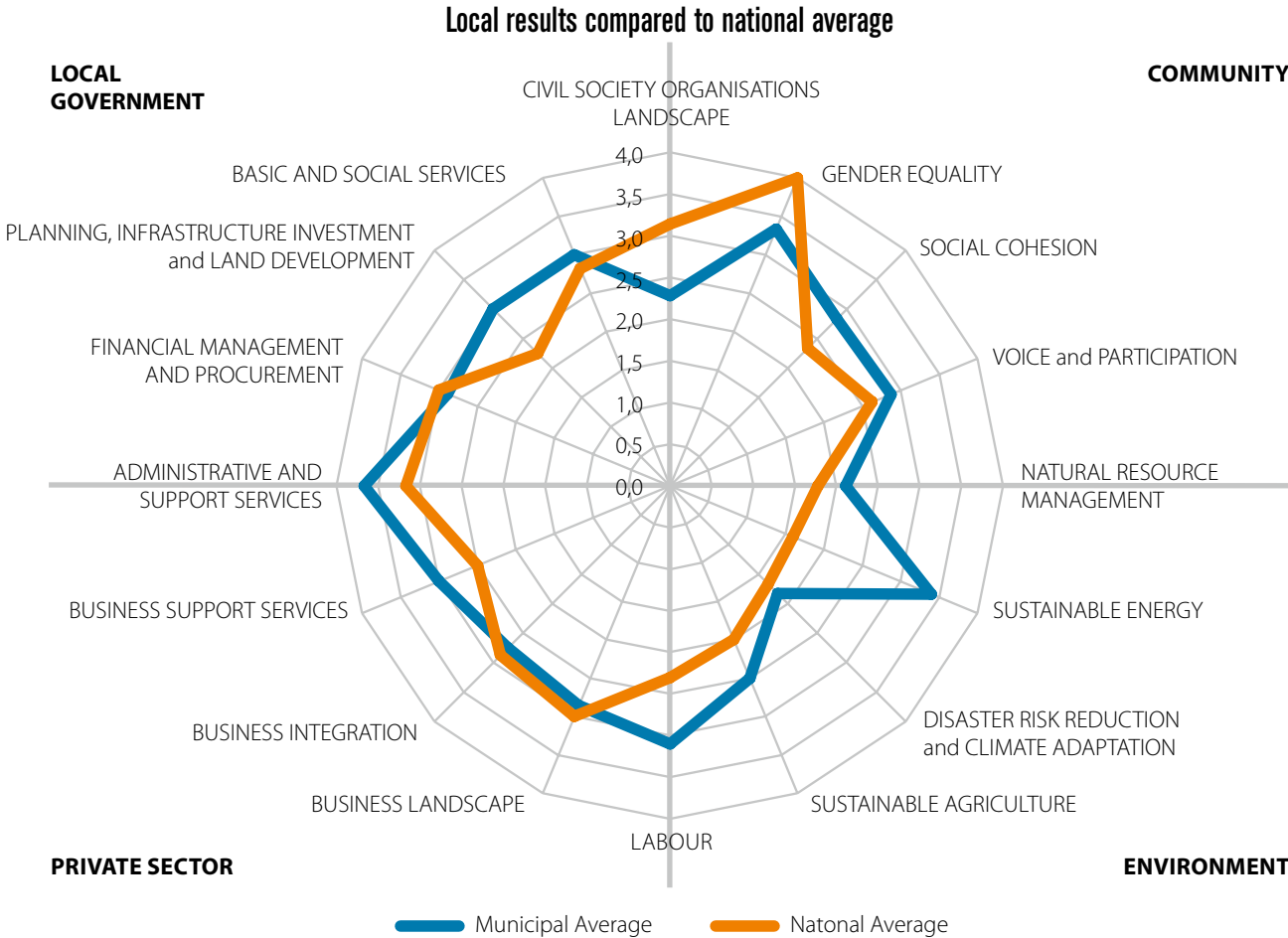
- received the highest/lowest ratings;
- show the greatest variation among different groups/sub-groups/participants;
- were indicated by groups/participants as being the most important for the locality development.

Questions that show the greatest difference among the groups/sub-groups should be given special attention (for example, local government might consider their services more positively than other groups; small and large enterprises might have different opinions on the friendliness of the business environment; ecology experts can diverge in opinion with small farmers, etc.). The most important results of the self-assessment should be further explained and justified with the statistical and qualitative data.

Tips for developing the situation analysis

- Use the national average ranking to provide a framework. Ask stakeholders whether they think their locality performs better or worse on specific measures;
- In the situation analysis use visual depictions that compare locality with national rankings.

FIGURE 3: VISUAL REPRESENTATION OF SITUATION ANALYSIS



The draft situation analysis is a document prepared by the task force on the basis of the self-assessment, which should include the following:

- a list of the task force members;
- groups and sub-groups that participated in the self-assessment;
- a brief description of the main facts about the locality;
- self-assessment results by each module supported by other data;
- preliminary list of priorities by module;
- excerpts of relevant strategies, legislation and documents.

The situation analysis should be presented to (and ideally approved by) the local council. Instead of publishing the full situation analysis for a wider audience, for example, a summary with the list of priorities by modules may be published.

STAGE 2: Problem Identification



The framework for the problem identification stage consists of the universal sustainable development goals and their corresponding governance principle and mode of collective action, as illustrated in the figure below.

FIGURE 4: COLLECTIVE ACTION FOR SUSTAINABLE LOCAL DEVELOPMENT



Collective action “requires the capacity of stakeholders (including citizens, state actors and others) to engage with each other (either collaboratively or in contestation).”³ This means joining the efforts and resources of entrepreneurs and businesses, active communities and CSOs, with local authorities. This cannot happen without trust between the groups and confidence of the groups in their own ability: complex challenges cannot be resolved through technological solutions alone. On a global scale, the best example is climate change. At the local level, there are numerous challenges that are best resolved through collective action and it is local governments that have the convening power to bring public, private, and non-governmental stakeholders together, as well as to interface with other tiers of government. Four areas of collective action that UNDP can support under the umbrella of sustainable local development are:

- innovative and effective management;
- local economic development;
- sustainable resource management;
- inclusive service delivery.

STEP 1: Analyze the Ownership and Commitment

Analyze the ownership and political commitment within the locality to achieve these goals. This step is optional, but highly recommended. There must be some level of ownership across the four major actor groups to initiate sustainable development activities, and to make institutional changes in local policies and planning processes to promote social inclusion and environmental sustainability. The task force will examine the “governance principles in action” that are evidence of the level of the locality’s ownership and political commitment towards sustainable human development. These principles are long-term vision, transparent decision making with regard to public resources (financial and natural), inclusion and empowerment, and incentives and regulation.

In Stage 1: situation analysis, each of the main actor groups will have answered a set of questions regarding their own domains and those of other actor groups. For the ownership analysis, the responses to several of these questions (see Table 6) will be compared across the actor groups. Is there consensus on where ownership and commitment are weak across the 16 domains? It may be the case that an actor group believes it has strong commitment, but this perception is not shared by other actor groups. If there are specific areas where ownership is weak, or where perception of the ownership is weak, this is where there needs to be public commitment by local leaders to sustainable development goals.

TABLE 6: ANALYSIS OF POLITICAL COMMITMENT AND OWNERSHIP (BASED ON GOVERNANCE PRINCIPLES)

Questions to assess ownership of the governance principle: Long-term collective vision (towards development goal: Fair and efficient use of public and natural resources)	
Planning and infrastructure	Is the municipality’s social and economic development guided by a long-term plan created in consultation with civil society and local businesses?
Disaster risk reduction	Does the municipality understand possible/likely impact of climate change on the municipality’s natural resources and incidence/severity of natural hazards?
Sustainable energy	Does the municipality have programmes and policies to reduce its own energy consumption (including local schools and health points)?
Planning and infrastructure	Does the municipality have a plan for improving individual, commercial and public transport modalities for citizens and business (e.g. roads, public transit, non-motorized vehicles and pedestrian mobility)?

3 Lister, S., UNDP Oslo Governance Centre (2012). “Democratic Governance and Sustainable Human Development: moving beyond ‘business as usual’”.

Natural resource management	Do local organizations (e.g. hunters, fishermen) self-regulate use of natural resources in a transparent manner?
Natural resource management	Does natural resource management on the local level benefit the most vulnerable groups of the local population?

Questions to assess ownership of the governance principle: Transparent decision making

(towards development goal: Honest and responsive government)

Administrative and support services	Is the municipality working to provide more services online?
Voice and participation	Are complaints and suggestions from the community discussed and (partly) realized by the municipal council/government?
Voice and participation	Do local media provide informed reporting of municipal activities?
Business support services	Is dialogue between local business membership organizations and the municipal government well established?
Planning and infrastructure	Does the municipality have a complete inventory of municipal land, a land use plan and transparent land distribution procedures?
Procurement	Is public procurement conducted in a transparent manner and can it be monitored by the local council and civil society?
Financial management	Are the budget message, public budget hearings or other mechanisms used for informing citizens of budget priorities and facilitating citizen input?
Social cohesion	Is more equitable management of natural resources at the local level ensured through dialogue and negotiations with the community and citizens' organizations?
Natural resource Management	Do citizens have access to detailed information on polluters within the municipality's territory?

Questions to assess ownership of the governance principle: Inclusion and empowerment

(towards development goal: Equal access to quality public services)

Gender equality	Are employees of the municipal council/government gender balanced, including at decision-making level?
Social cohesion	Do citizens identify themselves with the municipality and their community at large (not exclusively with a sub-group)?
CSO landscape	Are there opportunities for residents to support the community in an organized fashion (e.g. chamber of commerce, service clubs, youth groups, cultural organizations, etc.)?
Basic services	Do vulnerable groups (e.g. disabled, minorities, women and girls) have roughly equal access to services as other citizens?
Basic services	Is affordable housing available, including affordable heating options?
Administrative and social services	Are citizens aware of the various forms of social protection for which they might be eligible and know how to apply?
Business integration	Are businesses socially engaged in the community?

Questions to assess ownership of governance principle: Incentives and regulation

(towards development goal: employment generation and equal job opportunity)

Procurement	Does public procurement incorporate principles of sustainability and prefer local products and/or local small businesses where feasible?
Administrative and social services	Do citizens and businesses know which offices provide which services: operating hours, rules, procedures, and processing times, and are fees published?
Business landscape	Is implementation of the local regulatory environment predictable and allow long-term business planning?
Labour	Do employers care about the working conditions of their employees?
Gender equality	Are special programmes to support girls and young women, for example, in business and education offered?
Labour	Are a competitive recruitment processes in the local job market and a fair salary scale, along with access to financial services, loans and public services intended for new business start-ups, in place for both men and women?
Social cohesion	Is social commitment to access of vulnerable groups to employment strengthened through dialogue among private business, CSOs, and local government?

The task force may choose to use strengths-weaknesses-opportunities-threats (SWOT) method for performing the ownership analysis. If doing so, the task force should consider as external factors the national policy framework within which they operate. If UNDP has completed a framing analysis for sustainable local development, several issues may have surfaced that have an impact on local ownership.

Does the country have adequate political and administrative decentralization to motivate and enable local governments to be responsive to the needs of the local population?

- Are the local governments fiscally empowered?
- Do local governments receive predictable and transparent financial transfers that match the responsibilities they have been given?
- Are there new local government responsibilities for which they require additional central government support?
- Are there gaps in local government functions and responsibilities with regard to national strategic priorities, environmental sustainability and social inclusion?
- Do mechanisms for direct citizen participation exist, and are they used in practice?
- How does the country's political and economic structure affect power relations among local actors?

Tip for ownership analysis:

- Use the national framing analysis to identify which ownership gaps have systemic causes;
- Compare local government responses to responses of other actor groups and sub-groups such as farmers, small and medium-sized enterprises (SMEs), women, minority groups, and vulnerable populations.

STEP 2: Create a common vision

Create a common vision on the locality's sustainable development goals by disseminating the main points of the situation analysis and by stimulating interest and debate among the broader population. The objective of this step is to create dialogue across the main actors based on their comparable and contrasting perspectives on the challenges they collectively face as actors within the same locality focused on:

- Particular strengths of the locality that shape its comparative advantage
- Weaknesses of the locality that are reflected in poor services, environmental resources being depleted, social exclusion, and unemployment

Comparative information on the national situation can help highlight key comparative advantages to build on or critical gaps to address.

Public debate on the sustainable development goals should be organized around answering these questions:

- How do we need to improve the lives of people today?
- What kind of locality will we leave for the next generation?

If the locality does not already have a long-term vision, these discussions can serve as a point of departure for visioning exercises on the locality's sustainable development goals and actions. If the locality already has developed a long-term vision, then these discussions can help validate or expand that vision.

Tips for stimulating discussion on sustainable development goals

- Use a variety of means for presenting conclusions of the situation analysis.
- Involve youth in getting responses from under-represented stakeholders. Use innovative methods such as photo and video stories to be shared through social media and in town meetings.
- Consider when and for how long information must be disseminated. For example, in rural communities it will be difficult to engage farmers during the harvest.

The task force first reviews the list of the most important development priorities indicated during the self-assessment process to create a preliminary long list of priority areas. It is recommended for the task force to group the identified priority areas along national development goals and priorities, and the SAT4SLD universal goals of innovative and effective management, fair and efficient use of local resources, employment generation and equal job opportunities, and equal access to quality public services (see example in Table 7). Before formulating local goals, the preliminary long list of priority areas will necessarily have to be reduced. If a priority does not appear on the short list, this does not mean that the priority will not be addressed, but it is not considered to be a strategic goal. Several priorities may be related and will be combined to create a new priority for the short list. At a minimum, the task force should allocate more time (ideally one day or more) to meet and discuss the self-assessment results and agree on a shortlist of priorities that will lay the ground for the locality's long-term goals of sustainable local development.

TABLE 7: MATCHING LOCAL PRIORITIES TO NATIONAL SUSTAINABLE DEVELOPMENT GOALS – UKRAINE⁴

Universal goals	National sustainable development goals	Local priorities
Honest and responsive government	Efficient and open authorities as a pre-requisite for realizing the post-2015 development agenda Developed infrastructure to overcome territorial inequality	<ul style="list-style-type: none"> • Continuous public dialogue to determine goals and ways to achieve them • Improve management efficiency and skills of staff • Simplify procedures and provide wide access to information and decision-making processes • Anti-corruption • Change system for infrastructure funding • Public-private partnerships • Restoring social, utility and cultural infrastructure
Equal access to quality public services	Equality of opportunities and social justice: building an equitable, socially inclusive society Efficient health care and life-long good health Accessible and quality education	<ul style="list-style-type: none"> • Social inclusion of vulnerable groups • Social service delivery through non-state structures • Social protection • Healthy lifestyles • Public/community health care • Life-long education and vocational training • Quality education
Employment generation and equal job opportunity	Decent work: promoting human development and realization of human potential Modern economy: shaping an innovative development model	<ul style="list-style-type: none"> • SME development • Active labour market initiatives, especially for young and elderly people, including vocational education and training • Economic development focused on innovative technologies and labour-intensive and knowledge-intensive industries • Employment of vulnerable populations
Fair distribution and efficient use of public and natural resources	Healthy environment: preserving and developing the ecological potential of territories	<ul style="list-style-type: none"> • Promote modern renewable and alternative energy technologies • Resource efficiency in industry, agricultural production, and housing and utility services • Promote green economy principles including green tourism • Preserve forests, water resources and biodiversity • Production and consumption of organic products

Each identified priority area in the shortlist should be accompanied by a long-term vision statement. Vision is a positive, future-oriented statement (5-10 years).

Ask yourself: what is going to be written in the newspapers about your locality's success in 10 years' time? Imagine the headlines.

Priority area + positive vision statement = long-term sustainable development goal

If the task force has enough time, it can think of involving the community (children, young people) into formulating the long-term sustainable development goals, for example through art or essay competitions or collections of photos and videos.

⁴ UN System in Ukraine (2013). "National Report, Post-2015 Ukraine: The Future We Want," (Kyiv).

STEP 3: Conduct SWOT Analysis

Conduct a SWOT analysis for each goal. Different from traditional strategic planning, the SAT4SLD highlights the need for collective action among the main actor groups because complex sustainability challenges cannot be addressed by one actor alone. Local governments need to work with other local governments, with central government, community, NGOs and the private sector. Moreover, the private sector needs its own form of collective organization and action, as does the community and nature users/protectors.

Collective action is a voluntary, coordinated cooperation among some or all local stakeholder groups, based on common interest and taking into consideration the different capacities and responsibilities of each group. Collective action is the opposite of short-term, egoistic individual behaviour that erodes collective benefits.⁵

To help identify suitable collective actions, the task force should analyze each of the long-term local sustainable development goals separately using the modified simple SWOT (Table 8). Who are the main stakeholder groups for this goal? What is the capacity and resources that different actors bring in relation to the particular goal? What are the separate (potentially conflicting) and common interests and goals of the main stakeholder groups in this area? The SWOT analysis may reveal that there are separate short-term interests that need to be accommodated to reach consensus on actions to achieve a long-term common interest. Thus, the task force is recommended to think in terms of groups of actions that will support one another. For example, there may be quick wins of collaboration that will create trust among actors or respond to immediate needs of a particular actor. However, these quick wins need to be paired with collective actions that focus on where sustained efforts and investments are needed, where there may be need to change institutional processes, behaviours or attitudes.

TABLE 8: MODIFIED SWOT ANALYSIS (TEMPLATE)

Long-term sustainable development goal:			
Current situation/ internal factors / local stakeholder groups	Strengths that can be used for the achievement of the goal		Weaknesses that prevent the achievement of the goal
	What already works and should be continued? Capacity/strengths of main actors for the achievement of the goal: Local government Community Private Sector	<hr/> Separate interest/goals of main stakeholder groups in this area: Local government Community Private sector	What needs to be improved? Weakness of main actors: Local government Community Private Sector
Future scenarios/ external factors/ central government, external investors	Opportunities that might facilitate the achievement of the goal For example: support of the central/regional government, etc.	Common interest of main actors in this priority area:	Threats that might hinder the achievement of the goal

5 Ostrom, E., International Food Policy Research Institute (2004), "Collective Action and Property Rights for Sustainable Development". The classical example is one where collective action is needed is for organizing the grazing of livestock on pastoral lands.

The SWOT can be used in conjunction with cause and effect analysis (also known as a fishbone diagram), which is helpful for breaking problems into their varied sources. Without this understanding of separate interests and causes, the task force may assume that local actors will voluntarily cooperate when in fact they have different motivations.

The table below provides examples of collective action based on the universal sustainable local development goals, but the task force will select and formulate collective actions based on the locality's long-term sustainable development goals.

TABLE 9: EXAMPLES OF COLLECTIVE ACTION FOR SUSTAINABLE LOCAL DEVELOPMENT

Collective action for long-term sustainable management (development goal: Fair and efficient use of public and natural resources)	
Local government, community, environmental actors, central government	Municipal administration cooperates with the community and relevant central bodies on developing an inventory and management plan for local natural resources.
Private sector, environmental actors, local government	Businesses incorporate environmental management within their business operations (including rationalizing resource use and limiting environmental impact).
Environmental actors, local government, private sector, central government	Local actors promote knowledge and practice of sustainable agriculture (e.g. efficient irrigation techniques, sustainable greenhouses, consideration of biological cycles, reduction of pesticides)
CSOs, environmental actors, private sector, local government	CSOs work with community and local government for active citizenship and awareness-raising campaigns on resource efficiency/conservation.
Local government, private sector, community, environmental actors	Municipal administration provides incentives and works with citizens and businesses to reduce energy consumption in housing/utility sector
Local government, private sector, community, environmental actors	Municipality has a waste recycling system and supports citizen-led initiatives related to waste reduction (reuse, repair, recycle).
Collective action for innovative and effective management (development goal: honest and responsive government)	
Local government, community, private sector, environmental actors	Municipal council/government has advisory committees that involve volunteers/ experts from outside the council.
Local government, private sector	Municipality engages private sector to improve online services or one-stop shops for business license and construction permits.
Local government, community, environmental actors	The municipality has a list of volunteers and a mechanism for working with them on emergency response and awareness-raising on natural and manmade hazards.
Local government, community	The municipal leadership uses consultative groups of community leaders as an "early warning system" on potential conflicts based on ethnic or other differences within the community.
Local government, youth	Local government uses social media platforms to strengthen the voice of young women and men in local decision making and governance monitoring.

Collective action for inclusive service delivery

(development goal: Equal access to quality public services)

Community, CSOs, local government	Volunteer organizations and CSOs provide services to the community, including through contracts with local government.
Local government, community	Community service users are involved in the design of how local public services are delivered.
Local government, community, CSOs	Social accountability mechanisms (e.g. citizens' report cards, community scorecards, independent budget analysis) are used by residents to monitor public expenditures and report on service delivery information.
Local government, community	The municipal administration provides a safe environment through police and fire protection services with community involvement.
Local government, CSOs	Public financial resources are used to build the capacity of non-state service providers so that they can become long-term and reliable partners for sustainable development.
Local government, community	CSOs are employed to ensure that rural populations and other difficult to reach groups can easily access government services.

Collective action for local economic development

(development goal: employment generation and equal job opportunity)

Private sector, local government, central government	Public-private cooperation to create physical and commercial infrastructure to bring agricultural products to urban markets in good condition.
Local government, central government, private sector	Municipal administration seeks technical and financial support from private sector, government, and donors to realize renewable energy potential.
Private sector	Private sector cooperation to create/improve operating support services (e.g. communication, transport, design, packaging, maintenance) that meet local business needs.
Private sector	Private sector cooperation to create business clusters with specialized suppliers and service providers.
Local government, CSOs	Local government engages CSOs to provide active labour markets services (e.g. training, job placement, business opportunities).
Private sector, local government.	Apprentice programmes in partnership with local businesses provide on-the-job training to youth.
Private sector, local government, community	Business consulting services, training and information provided to micro, small, and medium enterprises (MSMEs)

STEP 4: **Form a Collective Action Plan**

Form a collective action plan based on common interests and available resources. The aim of the collective action plan is to identify how the main actor groups can work together to achieve the long-term sustainable development goals. Based on the identified common interest in each given area, and considering the strengths/weaknesses of each main local actor, the task force identifies the collective actions for each of the long-term local sustainable goals.

It is probable that each long-term sustainable development goal will require more than one collective action. In particular, if SWOT or another form of analysis identifies the diverging interests of main local stakeholders, different collective actions should be considered.

Long-term local sustainable goal versus collective action

It is typical to confuse a long-term goal with collective action. The examples below may help the task force to distinguish between a long-term sustainable goal and a collective action. A long-term sustainable development goal represents an improved quality of life (e.g. satisfying the needs of individuals and society – physical, spiritual, cultural, intellectual, social, etc.). Collective action is a way towards the full or partial achievement of that goal. (*Tip: a collective action should include a verb that describes what the actors will do.*)

Example 1

Long-term SLD goal: In 10 years' time, all inhabitants of the locality will have access to fresh tap water.

Collective action: With private sector know-how and community support, local authorities will develop the drinking water infrastructure (repair the physical infrastructure, create fair cost-recovery tariffs and connection charges, improve billing and enforce tariff collection, better detect water losses).

Example 2

Long-term SLD goal: In 10 years' time our local government will be more honest and responsive.

Collective action: Local authorities will increase the involvement of CSOs into finding solutions to local development problems.

For each proposed collective action, the task force should answer the following questions:

- Which person or group is ultimately responsible for continuous implementation of the initiative? Does the main actor have the commitment and capacity to implement the initiative? (commitment and capacity)
- Which capacities of other actors can complement those of the main actor to ensure effective implementation? (collective action)
- How can we ensure that the initiative reflects the principles of inclusiveness and environmental sustainability? (ownership and commitment)
- What resources will be used to support the initiative? Which assets will be enhanced by the initiative? (means)

The task force should consider not only budgetary resources, but also resources connected to each of the major actor groups involved in the collective action.

Answers to these questions should be recorded in a simple format (Table 10).

TABLE 10: DETAILED COLLECTIVE ACTION PLAN (TEMPLATE)

	Main actor responsible for implementation	Other actors	Impact on social inclusion (explain why positive, neutral, negative)	Impact on ecological sustainability (explain why positive, neutral, negative)	Means/resources
Long-term sustainable development goal 1:					
Collective action 1					
Collective action 2					
Long-term sustainable development goal 2:					
Collective action 1					
Collective action 2					
Long-term sustainable development goal 3:					
Collective action 1					
Collective action 2					
Collective action 3					

STAGE 3: Asset-Based Monitoring (ABM)

Stage 3: Asset-based monitoring

- **Prioritization of assets to be monitored**
- **Baseline and indicators for asset monitoring**
- **Public commitment to indicators**
- **ABM in planning processes**

In the situation analysis, the state of the locality's assets was assessed from the perspective of local actors and their domains. In the problem identification, the task force looked for ways in which local actors could work together under specific modes of collective action to build on

comparative advantages and achieve long-term sustainable development goals. In asset-based monitoring, a new system of monitoring is set up to measure whether the promoted collective action has a positive impact on the locality's assets. Asset-based monitoring does not replace monitoring of local government performance through other methods, but focuses on assets that form the basis of long-term well-being in the locality.

Why asset-based monitoring? Income is not an adequate measurement of well-being. First, it does not measure other factors that influence quality of life such as clean air and water, friends and neighbours, and health. Second, income measures a snapshot of today's situation without providing information on conditions that will influence the situation in the future, for better or worse.

STEP 1: Prioritize Your Assets

Prioritize the assets to be monitored. These assets will fall under one of seven forms of capital for sustainable local development:⁶

- 1. Physical capital:** Sometimes called produced capital or built capital. It includes infrastructure, but also other fixed assets such as machinery.
- 2. Institutional capital:** This is knowledge applied to internal processes, such as for a local government or civil society organization. It may strengthen the management, planning or coordination functions.
- 3. Social capital:** This includes shared norms and values and the networks within the community that join similar and dissimilar groups. It also implies equality with respect to access to education, health and communal services and job opportunity.
- 4. Human capital:** This includes levels of education, as well as the healthiness of the population. It also includes specific job-related skills.
- 5. Financial capital:** This includes financial investments by local and external actors (including private firms and central government) as well as the available budgets of local actors.
- 6. Know-how:** Similar to institutional capital, this is intangible applicable knowledge. Know-how is applied to external processes (production or services) within the private sector, such as innovative processing methods or customer or supplier relations.
- 7. Natural capital:** This includes the amount and quality of agricultural or pastoral land, forests, fresh water and ambient air. It also includes ecosystems more broadly, biodiversity of flora and fauna as well as mineral and marine resources. Finally, it includes energy resources, with emphasis on renewable energy potential.

⁶ These forms and definitions of types of capital have been adapted from various sources, including "Measuring Sustainable Development", report of the Joint UNECE/OECD/Eurostat Working Group on Statistics for Sustainable Development (2008); J. Stiglitz, A. Sen, J.P. Fitoussi. "Report by the Commission on the Measurement of Economic Performance and Social Progress" (2008); and Flora, C.B., Emery, M., Fey, S. and Bregendahl, C., "Community Capitals: A Tool for Evaluating Strategic Interventions and Projects". North Central Regional Center for Rural Development (2008).

The principle behind asset-based monitoring for sustainable local development is that one form of capital cannot properly substitute for another form of capital, so changes (flows) must be measured in each of the forms. There are numerous potential assets that fall under each form of capital. The task force should select which assets should be monitored depending on the locality's long-term sustainable development goals, as reflected in the collective action plan and other strategic documents of the locality, as well as the capacity of the local actors to perform the monitoring. Table 11 provides illustrative assets under each of the seven basic capitals for sustainable local development. At a minimum, one asset should be selected for monitoring under each type of capital.

TABLE 11: SUSTAINABLE LOCAL DEVELOPMENT ASSETS UNDER EACH CAPITAL TYPE

Physical capital	Social capital	Human capital	Financial capital	Know-how and institutional capital	Natural capital
Used in delivering communal services	Community-based cooperation	Education	Private sector investment in for-profit enterprises	Business specialization and integration	(Agricultural) land quality
Used in delivering social services	Trust in local government	Health	Private sector investment in community/social enterprises	Technical management skills within local government	Renewable energy tapped
Necessary for business operations and development	Gender equality	Employment	Financial services for MSMEs	Planning for disaster risk reduction and climate adaptation	Green zones (e.g. for recreation, maintaining biodiversity)
Promotes sustainable transport	Socio-economic equality	Job-training/vocational education	Local government discretionary budget	Sustainable agriculture techniques	Drinking water supply
Maintains cultural heritage	Cooperation among LG-business-CSOs/academia		Local government debt	Resource efficiency	Minerals, forests

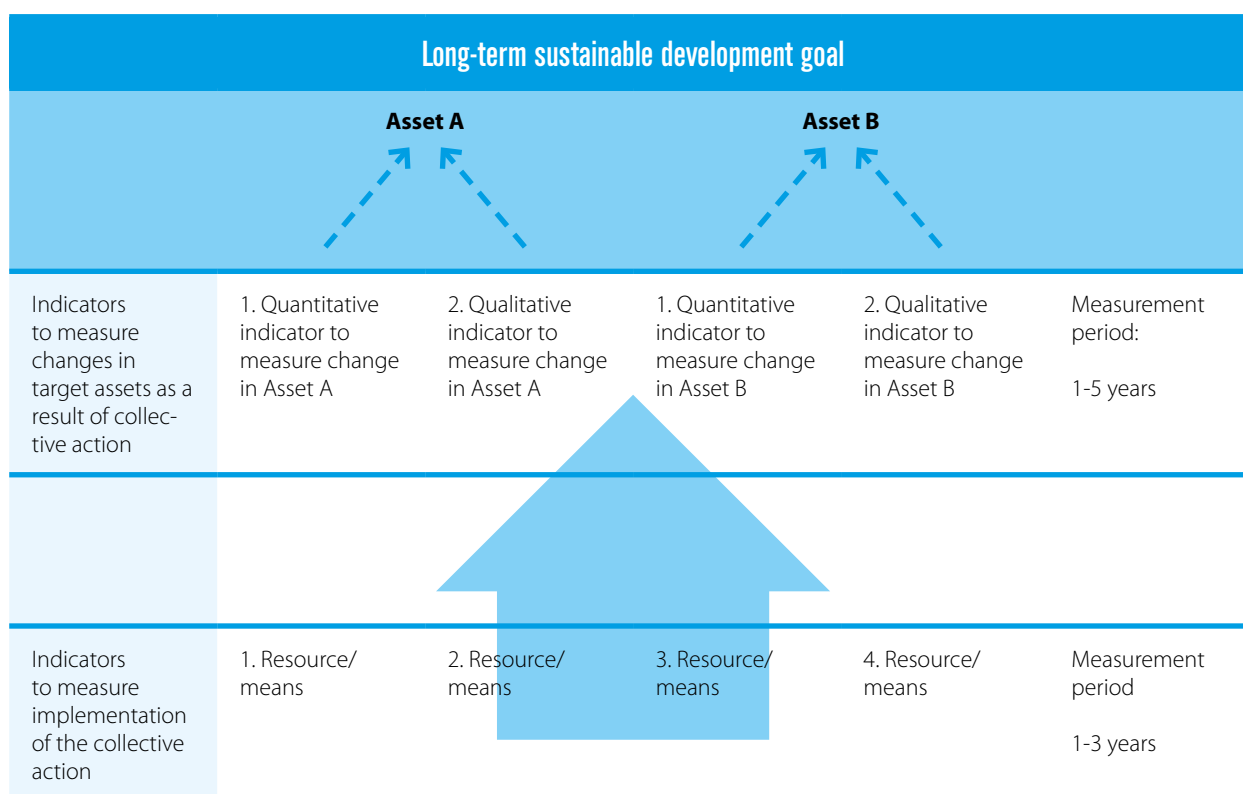
STEP 2: Create Indicators

Create indicators for the selected assets and a baseline. The task force should follow the SMART criteria (specific, measurable, attainable, relevant and time bound) for the selection of indicators. In some cases, the indicators may already exist for the general population, but data should be disaggregated by gender. In many cases, assets need to be monitored both in terms of the quantity (amount) and the quality. This may require at least two indicators to adequately capture whether the asset is being enhanced. Examples of specific assets and indicators can be found in Annex 2.

Choice of effective indicators to measure the progress towards the long-term sustainable development goals is one of the most important planning phases. It is recommended to involve the academia representative for this work.

Note that one set of indicators will be needed for monitoring implementation of the collective action plan. A second set of indicators measures changes in target capitals that the identified collective action is going to influence (effectiveness of the collective action).

FIGURE 5: CHOOSING INDICATORS TO MEASURE ASSETS AND COLLECTIVE ACTION IMPLEMENTATION



STEP 3: Ensure Public Commitment

Create public commitment of local leaders towards enhancement of these selected assets. As the SAT4SLD promotes all actor groups to be involved in supporting sustainable development, public commitment should also be broadly made. This means not only that local government should make commitments to the locality’s sustainable development goals, but also that business and civil society leaders should make commitments. The local leadership should commit to targets connected to the asset-based indicators selected by the task force so that the population can easily track whether progress is being made on these commitments.

STEP 4: Incorporate Indicators into the Planning Process

Incorporate asset-based indicators into the regular planning process of local government departments and into the plans of other local actors to be measured periodically. While it is valuable to have a snapshot of the current situation with respect to sustainable development, the real value of SAT4SLD is in building a regular measurement system of these various forms of capital. To replicate the analysis over time, it is important to identify an organization or department that will be responsible for monitoring trends based on the asset-based indicators. The organization may be responsible for creating a more disaggregated analysis, for example by sub-groups of residents or locations (e.g. individual villages), when relevant. The indicators developed around the seven forms of capital for sustainable development should measure changes in the stock (either by quantity or quality) for use in future analyses and planning.

Experience from the Pilots and Lessons Learnt

In 2013, SAT4SLD was implemented in three countries:

- Uzbekistan, the most populous country of Central Asia, with a GDP per capita of 1.717 USD;
- Ukraine, the largest country in Europe after Russia, with a GDP per capita of 3.867 USD;
- the former Yugoslav Republic of Macedonia, a small country in South-East Europe and a candidate country for the European Union, with a GDP per capita of 4.589 USD.

The countries and the localities in which SAT4SLD was piloted are very different. In Uzbekistan, through the UNDP Local Governance Support Project, the tool was used for the country's first City Development Strategies, including Jizzakh, a medium-sized city in the west of the country, and Namangan, a large, dynamic city in the Fergana Valley which is growing very quickly both demographically and economically, but which faces energy and other natural resource challenges. In Ukraine, Antracitivskiyi *rayon* (district), with a large population, and Gluhivskiyi *rayon*, which is small and remote, were the first to use the tool for their new Strategic Plan. The Government of Ukraine requires all *rayons* to create strategic plans in 2014, and the implementation of an adapted version of SAT4SLD will be supported by the EU-funded Community Based Approach to Local Development, implemented by UNDP Ukraine.

In the former Yugoslav Republic of Macedonia, SAT4SLD was implemented by the Inclusive Development Network of the Vardar Planning Region (VPR) with the support of UNDP's Local Development Project. The VPR is a statistical region in central Macedonia that comprises nine municipalities. The network aims to strengthen coordination and cooperation among the municipalities, the business community and civil society on issues related to local and regional development. Members of the network are on an equal footing and include representatives from the municipalities, local institutions and regional branches of the chambers of commerce and CSOs. Its operations are supported by the Centre for Development of the VPR and the local economic development units of the municipalities involved.

The UNDP staff involved and partners from academia, civil society and government contributed to lessons learnt from the pilot stage, which are outlined below.

Adaptability: The tool can and should be adapted to the individual context as follows:

- it can be used in different planning contexts: municipalities, cities, regions/*rayons*, and joint planning regions;
- the questionnaires can be reworded to make it easier for stakeholders to respond;
- a simple module with fewer questions for the "citizen on the street" can be added;
- different forms of data collection can be used. For example, average ratings were made for some stakeholder input based on focus groups. For other stakeholder groups, surveys were administered and then the average results were calculated.

Efficient and cost-effective self-administration: The main advantage of the tool is that administration of the questionnaires was made easier because of the clear and concise questions and standardized method of scoring. Minimal assistance from facilitators was needed. In operational terms, the coordination of the distribution of the questionnaires and collection of the completed questionnaires was carried out by local staff members. In some cases (for example, vulnerable groups, such as unemployed women), it was helpful to have someone familiar with local government to explain the questionnaire.

Capacity building for performance management: Because the tool is easy to use, local municipal/regional staff learned to apply it themselves and began to use the information in their daily work and to set goals for upgrading skills and work of their respective departments. The staff members indicated that they wanted to be active in the next monitoring phase. By re-applying the tool annually, they will have a consistent way of measuring and monitoring their work in terms of service outcomes and citizen satisfaction. Armed with measurable and meaningful outcomes, local staff can initiate performance management and inform budget decisions.

Applicability for joint development planning and increased territorial cohesion: When the tool was used by a joint planning region, individual rankings were also made for the participating municipalities. The facilitators should pay attention to how the differences in rankings are presented so that this does not create rivalry. However, comparison of the individual rankings can create a positive competitive atmosphere and a better understanding of the priority areas for territorial cohesion. With the help of individual municipal and overall regional rankings the staff members of the individual municipalities are able to examine their situation in a wider regional context and become more involved in their new role in joint development planning.

Building consensus and trust: Whether used among municipalities involved in joint planning, or among stakeholders from civil society, private sector and government, applying the tool and discussing the results of the self-assessment process have helped to bring people together towards common goals. The working group on strategic planning increased their cohesion and capacity by meeting to discuss and analyze the results each time the questionnaires were completed by a different stakeholder group. In some countries business representatives were the most reticent group with regard to expressing their opinion, perhaps because they were suspicious of the process or were concerned to be seen to be criticizing the government. Typically, local governments were more optimistic than other stakeholders in their ratings. Overall, acknowledging that there were differences in perception was a starting point for frank dialogue and building consensus and trust.

People-centred ranking: The countries implementing the pilots found that the tool emphasized that citizens were the centre of development initiatives. This approach was very different to the technical approach currently in use and based solely on the expertise of urban planners and academic experts without consulting the people who live and work in the locality. The tool helped local leaders to take into account the opinions of citizens and business people and asked them to participate in creating the services and amenities they felt to be most important. In some countries, the existing plans were based on official statistics that have little to do with reality; the self-assessment process brought focus to the real local needs, challenges and issues.

Systematic approach to improving strategic planning: Local governments found that the methodology helped to set goals, evaluate its current level of development and make conclusions and recommendations for improving the level of development. The methodology was useful in improving the strategic planning process because it provided overall guiding principles and practical advice and explanations for processes such as framing the planning tasks, developing strategy components, making workshops with stakeholders more purposeful, and monitoring implementation. Even when strategic goals existed, the ranking results were helpful for identifying gaps in the locality's long-term and mid-term strategic goals.

Rigorous baseline, data verification and complementarity with other methods and tools: In the pilots, the self-assessment tool was used in conjunction with other studies and tools. The facilitators involved in the pilot experience recommend that future implementers perform analysis of local finances, use crowdsourcing or other innovative methods to gather as much information as possible from under-represented and vulnerable groups, and use a cause and effect analysis (also known as a fishbone diagram) to identify the main problems to be addressed in the collective action plan. The verification of information from various sources (triangulation of data) made the baseline findings and recommendations more rigorous. Local stakeholders felt that the tool built on and connected to previous work they had done, which encouraged them to be more committed in the implementation of the tool.

Little understanding of environmental issues: Of all the different modules, the module on environmental issues was the most problematic because of people's lack of knowledge of climate adaptation, sustainable energy and sustainable agriculture. In some cases, local NGOs had some knowledge, but it was difficult to find resource users to interview. Implementers should consider that it will be more difficult to identify and engage resource users and others who are knowledgeable about the locality's environmental issues. A related problem is that local governments usually do not have staff with relevant expertise or relevant information (disaggregated for the locality) for data verification.

Synergistic actions: The questions in the tool helped set the stage for synergistic actions in two ways. First, they pulled social and environmental issues into the realms of economic development and public service delivery. Local governments better understood their many roles in supporting sustainable development: as service providers, regulators, planners, procurers of equipment and services, consumers, producers and distributors of energy, and community motivators, connectors and educators. The strategic plan working group realized that by using an innovative and analytic approach actions with multiple objectives could be designed (e.g. actions aimed at both environmental protection and economic development). Second, many opportunities for collective action, among neighbouring local governments or between local government, the private sector and/or civil society were identified through analysing what each group could contribute to achieve a common goal.

Ownership at all levels and connection with national reforms: In the pilots, ownership was built at various levels. In more centralized countries, compatibility with national planning guidance is especially important. The implementers emphasized this to national authorities from the very beginning and explained how the tool easily aligns with both the national planning process for regional development and monitoring implementation of sectoral priorities and reforms. As the tool is multi-dimensional in its analysis, it can be connected to national initiatives from different sectors. One implementer suggested creating a national ranking based on a representative sample of local rankings and using them to inform investment priorities and provide feedback on implementation of reforms. For example, different stakeholders in the health sector (hospitals, pharmacies, rehabilitation centres, medical insurance systems and health care users) could help local, regional and national officials to track whether health reforms are being applied uniformly throughout the country.

At the local level ownership was strong. Local decision makers became engaged through visual representation of results and simplified data analysis tools such as SWOT, and local council members served on the working group. The local council approved the Situation Analysis as a policy document and later the Strategic Plan with local budget support. Local government staff members were involved on both sides, in organizing implementation of the tool and as respondents. Their high level of involvement translated to commitment to implementing the results. One implementer recommended providing training to local government staff who are responsible for implementing the plan in monitoring and management techniques.

Beyond government, the implementers felt that the committed involvement of civil society organizations, media and the private sector were important for both the planning stage and for monitoring the process of implementing the plan. Implementers suggested that permanent public councils were needed to ensure that the voices of civil society institutions and private companies were involved not only in the planning, but also in the implementation of development strategies. The media should be involved in awareness raising among stakeholders and promote public discussion.

Institutionalization through national/regional academies: In each of the pilots, a local institution facilitated implementation of the tool and intended to replicate implementation in other areas of the country. The local institutions involved in the three pilots were a national academy of public administration, two regional universities, and a prominent NGO. The national academy saw the tool as a way to introduce results-based management at the local level, as well as support a strategic development process with broad-base participation. Some fifty-four graduate students in a programme on public administration supported implementation of the pilots by conducting research and participating in data collection in the regions, which is an excellent example of action learning.

Increased accountability through asset-based indicators: Implementers found that asset-based indicators provided more meaningful information which allowed non-governmental stakeholders to monitor and report on implementation of the plan. The selection of asset indicators focused on community dynamics and quality of citizen participation, public sector management, access to public services, the condition of infrastructure, unemployment, equal opportunities for employment, public and private investment levels, land/soil quality, and water losses and water quality. It was suggested that these indicators could be added to the work of the national statistical agencies if they are not already in use. At the local level, the asset-based indicators could be used for programme-based budgeting, as they span local government functions and represent key outcomes for the locality's sustainable development

ANNEX 1: SITUATION ANALYSIS QUESTIONS

ANNEX 1: Situation Analysis Questions

MODULE 1: Local Government

LOCAL GOVERNMENT (Module 1)				
		Rating*	National average rating**	Relative to national average***
BASIC AND SOCIAL SERVICES				
1	Households and businesses in the municipality are connected to a reliable and safe drinking water system.	1	3	-2
2	Households and businesses in the municipality are connected to a reliable electricity system.	4	4	0
3	The municipality has financially viable service delivery plans for maintaining and expanding service delivery.	3	5	-2
4	Waste collection is provided according to a schedule or at collection points for households and businesses.	5	3	2
5	Infrastructure for primary and secondary education is adequate (building condition, heating, water/toilets, transportation).	2	1	1
6	Teaching staff for primary, secondary or vocational education have appropriate training and motivation (e.g. salary).	1	5	-4
7	Health care facilities and health care providers (within a reasonable distance) can meet the health needs of the municipality.	3	5	-2
8	Affordable housing is available, including affordable heating options.	3	1	2
9	Vulnerable groups (e.g. disabled people, minorities, women and girls) have roughly equal access to services as other citizens	5	3	2
10	Municipality utilizes inter-municipal arrangements to expand and improve service delivery.	4	2	2
11	Where applicable, based on legislation, the municipality provides a safe environment through police and fire protection services.	1	5	-4
	<i>Average rating</i>	3	3	-0.5
PLANNING, INFRASTRUCTURE INVESTMENT AND LAND DEVELOPMENT				
1	The municipality's social and economic development is guided by a long-term plan created in consultation with civil society and local businesses.	3	3	0
2	The municipality has a plan for infrastructure replacement and financial reserves are being set aside for this purpose.	4	1	3
3	The municipality has a complete inventory of municipal land, a land use plan and transparent land distribution procedures.	2	4	-2

LOCAL GOVERNMENT (Module 1)				
		Rating*	National average rating**	Relative to national average***
4	The municipality makes land available for business purposes in appropriate locations through transparent processes	3	3	0
5	The municipality has a plan for improving individual, commercial and public forms of transport for citizens and businesses (mainly for urban municipalities) (e.g. roads, public transit, non-motorized vehicles and pedestrian mobility).	4	1	3
6	Internet and transportation infrastructure is adequate for local businesses (e.g. roads, railways etc.).	2	2	0
7	An assessment of the territory's vulnerability to specific natural disasters is taken into account in infrastructure planning.	5	1	4
8	The municipality's land use plans and current infrastructure adequately provide for recreation facilities and public green areas.	1	2	-1
<i>Average rating</i>		3	2	0.9

FINANCIAL MANAGEMENT AND PROCUREMENT

1	The municipality can finance its own expenditures through its own revenues or unconditional transfers; it is able to self-finance operating expenditures and the most urgent infrastructure rehabilitation.	2	2	0
2	The municipality has autonomy (discretion) in allocating budget expenditures.	4	3	1
3	The municipal council adopts the annual budget and controls expenditures of the executive branch.	1	2	-1
4	Financial management is computerized; operating expenditures can be forecast and measures are taken to reduce operating expenditures (e.g. energy costs).	2	5	-3
5	Budget message, public budget hearings or other mechanisms are used for informing citizens of budget priorities and facilitating citizen input.	1	1	0
6	Public procurement is conducted in a transparent manner and can be monitored by local council and civil society.	1	2	-1
7	Public procurement incorporates the principles of sustainability and prefers local products and/or local small businesses where feasible.	2	1	1
8	There is experience in PPPs for public service provision and/or infrastructure development.	2	3	-1
9	The municipality contracts out services to CSOs.	1	1	0
<i>Average rating</i>		2	2	-0.4

LOCAL GOVERNMENT (Module 1)

		Rating*	National average rating**	Relative to national average***
ADMINISTRATIVE AND SUPPORT SERVICES				
1	Citizens and businesses know which offices provide which citizen/business services: operating hours, rules, procedures, and processing times and fees are published.	4	3	1
2	Published and actual processing times and fees/costs are comparable.	1	5	-4
3	Citizens are aware of the various forms of social protection for which they might be eligible and know how to apply.	3	4	-1
4	Rural populations and other difficult to reach groups can easily access government services	4	5	-1
5	Vulnerable populations are identified and their special needs with regard to access to government services are addressed	3	3	0
6	The municipality is working to provide more services online.	4	5	-1
	<i>Average rating</i>	3	4	-1.0

*Rating system 1-5: 1 = condition not at all satisfied; 5 = condition fully satisfied.

**Rating based on national data when available, and best estimates when not available.

***Tool calculates locality's rating relative to national average.

What are the most important factors (either positive assets or critical gaps)?

MODULE 2: Community

COMMUNITY (Module 2)				
		Rating*	National average rating**	Relative to national average***
1	There are opportunities for residents to support the community in an organized fashion (e.g. chamber of commerce, service clubs, youth groups, cultural organizations etc.).	2	3	-1
2	The number of volunteer and CSOs providing services to the community is rising.	3	3	0
3	Local level mobilization and self-organization of young people into community affairs is supported through youth volunteering and participation in other community-based groups.	1	2	-1
4	A high percentage of the citizens are actively engaged in one or more CSOs.	2	3	-1
5	Active citizenship and awareness-raising campaigns are conducted by CSOs in their community in relation to resource efficiency.	2	2	0
6	Public financial resources are used to build the capacity of non-state service providers so that they can become long-term and reliable partners for sustainable service delivery.	4	2	2
7	CSOs are increasingly working in networks and coalitions to increase their impact and effectiveness in addressing local sustainability issues.	2	3	-1
	Average rating	2	3	-0.3
GENDER EQUALITY				
1	Employees of the municipal council/government are gender balanced, also including at decision-making level.	4	3	1
2	Special programmes to support girls and young women in areas such as business and education are offered.	4	2	2
3	Women's organizations and youth organizations are represented and involved in decision-making processes.	5	4	1
4	Girls' attendance at schools is roughly the same as boys.	1	2	-1
5	Women can easily access health services.	3	4	-1
6	Human rights of women and girls are promoted and protected in law and through the action of police, prosecutors, judges and courts.	4	2	2
	Average rating	4	3	0.7
SOCIAL COHESION				
1	Citizens support each other and there is a strong feeling of community and solidarity.	4	3	1

COMMUNITY (Module 2)				
		Rating*	National average rating**	Relative to national average***
2	Citizens identify themselves with the municipality and their community at large (not exclusive identification with a sub-group).	1	4	-3
3	Potential (past) sources of conflict are known and actively addressed (e.g. conflict of water rights).	2	1	1
4	Social commitment to access of vulnerable groups to employment is strengthened through dialogue among private business, CSOs, and local government.	2	2	0
5	More equitable management of natural resources at the local level is ensured through dialogue and negotiations with the community and citizens' organizations.	4	2	2
6	There are consultative groups to municipal leadership as an "early warning system" on possible conflict based on ethnic or other differences within the community.	1	4	-3
	Average rating	2	3	-0.3

VOICE AND PARTICIPATION				
1	Bylaws adopted by the municipal council/government are supported by the community.	4	3	1
2	The municipal council/government has advisory committees that involve volunteers/experts from outside the council.	5	3	2
3	Complaints and suggestions from the community are discussed and (partly) realized by the municipal council/government.	2	1	1
4	Partnerships between the municipality and civil society are common.	1	5	-4
5	The municipality has a website where strategic documents, service information and proceedings of council meetings are posted.	4	2	2
6	Social accountability mechanisms (e.g. citizen report cards, community scorecards, independent budget analysis) are used by residents to monitor public expenditures and report on service delivery performance.	2	1	1
7	Community service users are involved in design of delivery of public services.	2	1	1
8	Local media report on municipal activities.	4	4	0
	Average rating	3	3	0.5

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***Tool calculates locality's rating relative to national average.

What are the most important factors (either positive assets or critical gaps)?

MODULE 3: Private Sector

PRIVATE SECTOR (Module 3)				
		Rating*	National average rating**	Relative to national average***
BUSINESS SUPPORT SERVICES****				
1	Operating support services (e.g. communication, transport, design, packaging, maintenance) meet business needs.	2	2	0
2	Business consulting services, training and information provided to MSMEs.	2	3	-1
3	Aspiring entrepreneurs (male and female) are actively supported through financial and non-financial services.	1	3	-2
4	General business services are provided (e.g. premises, accounting, data entry, translation, etc.) to support start-ups.	4	3	1
5	SMEs have access to affordable financial services (credit, leasing).	2	1	1
6	There are online services or one-stop shops for business licenses and construction permits.	1	3	-2
	Average rating	2	3	-0.5
BUSINESS INTEGRATION				
1	Local businesses are connected to value chain for processing or getting products to market.	2	2	0
2	The municipality has business clusters with specialized suppliers and service providers.	4	5	-1
3	Local firms carry out business with firms in other (also neighbouring) areas.	1	4	-3
4	Investments are made from outside the area into the area.	2	5	-3
5	SMEs have access to modern processing and other technologies.	4	4	0
6	Business are socially engaged in the community	3	5	-2
7	Businesses are trying to improve environmental management within their business operations (including rationalizing resource use and limiting environmental impact).	2	2	0
8	Support for and willingness to create, access, adapt and commercialize innovations (including through connections to research universities).	2	3	-1
	Average rating	3	4	-1.3
LABOUR				
1	Data on active enterprises are available and updated regularly.	4	2	2

PRIVATE SECTOR (Module 3)

		Rating*	National average rating**	Relative to national average***
2	Businesses can find workers with appropriate skills.	1	1	0
3	Wages are growing as a result of labour productivity.	4	2	2
4	Employers care about the working conditions of their employees.	4	2	2
5	Share of workers in formal sector is increasing	1	1	0
6	Competitive recruitment process in local job market and fair salary scales are in place for both women and men.	3	2	1
7	CSOs are engaged in providing active labour market services (training, job placement, business opportunities).	4	2	2
8	Apprenticeship programmes in partnership with local businesses provide on-the-job training to youth.	3	1	2
9	The need for workers to migrate to find work is decreasing.	3	1	2
10	There are education facilities for basic business sectors (vocational education) within a reasonable distance.	4	1	3
	Average rating	3	2	1.6

BUSINESS LANDSCAPE

1	Share of private sector (versus state-owned sector) is increasing in the local economy.	3	2	1
2	The number of businesses paying to be members of BMOs (business member organizations) is increasing.	4	5	-1
3	Business mediation mechanisms exist and are effectively being used.	2	2	0
4	Dialogue between local BMOs and the municipal government is well established.	4	3	1
5	Implementation of local regulatory environment is predictable, allows long-term planning and provides a secure investment climate.	3	2	1
6	Existing businesses are expanding.	4	3	1
7	Number of active businesses is growing.	4	3	1
	Average rating	3	3	0.6

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***Tool calculates locality's rating relative to national average.

What are the most important factors (either positive assets or critical gaps)?

MODULE 4: Environment

ENVIRONMENT (Module 4)				
		Rating*	National average rating**	Relative to national average***
NATURAL RESOURCE MANAGEMENT				
1	The municipal administration has an inventory of natural resources on its territory and cooperates with the community and relevant central bodies on their sustainable management.	2	3	-1
2	The natural resources and local ecosystems are healthy or in good condition (fish stock, forests, air, water, land, etc.).	2	1	1
3	Disposition of use rights for special resources (e.g. mineral water, hot springs, forests, tourism in protected areas) is made by contract in a transparent manner.	2	3	-1
4	Local organizations (e.g. hunters, fishermen) self-regulate use of natural resources in a transparent manner.	3	1	2
5	The municipal administration and community know endemic versus. invasive species within their territory.	1	3	-2
6	Citizens have access to detailed information on polluters within the municipality's territory.	4	2	2
7	The municipality has a sewage treatment system (urban municipalities).	1	3	-2
8	Natural resource management on the local level benefits the most vulnerable groups of populations within the community.	1	2	-1
9	The municipality has a waste recycling system (urban municipalities) and supports citizen-led initiatives related to waste reduction (reuse, repair, recycle).	1	2	-1
	Average rating	2	2	-0.3
SUSTAINABLE ENERGY				
1	The municipality has dedicated staff and system in place to monitor energy use.	4	4	0
2	Municipality knows how much energy it uses (electricity, gas, heat) and how much money it spends on energy.	5	4	1
3	Municipality knows where opportunities exist to save energy and use renewable energy.	1	4	-3
4	Municipality has programmes and policies to reduce own energy consumption (including local schools and health points).	3	2	1
5	Municipality has programmes and policies to encourage citizens and business to reduce energy consumption.	1	3	-2
	Average rating	3	3	-0.6

ENVIRONMENT (Module 4)

		Rating*	National average rating**	Relative to national average***
DISASTER RISK REDUCTION AND CLIMATE ADAPTATION				
1	The municipality understands the possible/likely impact of climate change on the municipality's natural resources and the incidence/severity of natural hazards.	2	2	-0
2	The municipality is taking into account current and future risks due to climate change in its development framework, e.g. project impact assessment, screening, and selection; sector and overall planning and budgeting. .	1	4	-3
3	The municipality is ensuring that measures to improve livelihoods or services for the population today reduce the community's exposure and vulnerability to hazards and will contribute to adaptation to future hazards.	3	4	-1
4	The municipality has a list of volunteers and a mechanism for working with them on emergency response.	1	3	-2
5	The municipality has a system for risk identification, prevention, and preparedness measures.	2	3	-1
6	The municipality has good coordination with relevant central government office regarding emergency plans for natural and manmade disasters.	4	4	0
	Average rating	2	4	-2.3
SUSTAINABLE AGRICULTURE				
1	Small agricultural producers utilize advisory services of agronomists, etc.	3	3	0
2	Small agricultural producers have access to marketing services and information on market demand.	2	5	-3
3	Small agricultural producers have access to necessary farming equipment, storage and processing facilities.	4	3	1
4	Agricultural products meeting the "fair trade" standard and from organic agriculture are promoted.	1	2	-1
5	Principles of sustainable agriculture (e.g. efficient irrigation techniques, sustainable greenhouses, consideration of biological cycles and reduction of pesticides) are promoted and supported.	4	2	2
6	Agriculture does not harm the watershed that provides the municipality's drinking water supply.	5	1	4
7	Land degradation is understood by farmers and steps are being taken to mitigate land degradation.	1	2	-1

ENVIRONMENT (Module 4)

		Rating*	National average rating**	Relative to national average***
8	There is adequate physical and logistics infrastructure to bring produce to urban markets in good condition.	3	2	1
	Average rating	3	3	0.4

*Rating system 1-5: 1 = condition not at all satisfied; 5 = condition fully satisfied.

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***Tool calculates locality's rating relative to national average.

What are the most important factors (either positive assets or critical gaps)?

ANNEX 2: SAMPLE ASSETS AND INDICATORS FOR SUSTAINABLE LOCAL DEVELOPMENT

ANNEX 2: Sample Assets and Indicators for Sustainable Local Development

Physical capital	Social capital	Human capital
Water systems: drinking water, wastewater, storm water (drainage)	Community cohesion/trust between community members (frequency of community building activities)	Teaching staff capacity at primary and secondary schools (knowledge, salary, per pupil ratio)
Energy efficient and affordable housing and residential heating	Activities and human services targeting vulnerable populations (e.g. elderly, unemployed, orphans)	Share of population with specialized education/Vocational education training (matched to labour market demands)
Transport infrastructure to support trade and mobility	Public buildings/ transport accessible to disabled	Share of population with tertiary education
Public transport and non-vehicle transport infrastructure	Attendance at public meetings; participation in local elections; trust in local government	Share of population that receives regular preventive health care
School infrastructure (buildings, equipment)	Volunteerism for social services, improving environment, etc.	Kindergartens/child care facilities are adequate to allow parents to work
Health care infrastructure (buildings, equipment)	Community groups/CSOs working in union and/or with local government or private sector	Youth unemployment rate
Cultural/historical infrastructure	Media coverage of local activities	
	Public-private dialogue mechanisms	
	Level of crime in the community	

* e.g. Average number of calendar days to process applications.

Note that for each of these assets, specific qualitative and quantitative standards should be applied.

These assets and indicators are drawn from various sources including

- Sustainability indicators for Australia <http://www.environment.gov.au/sustainability/measuring/indicators/index.html>
- STAR Community Rating System (USA, ICLEI) <http://www.starcommunities.org/>
- Indicators for Social Capital: Social Capital as the Product of Local Interactive Learning Processes by Ian Falk and Lesley Harrison <http://trove.nla.gov.au/work/153118040>
- Lisbon Council Policy Brief on Human Capital Leading Indicators: How Europe's Regions and Cities can Drive Growth and Foster Social Inclusion (2011) by Peer Ederer, Philipp Schuller and Stephan Willms.

Institutional capital and know-how	Financial capital	Natural capital
Knowledge/use of resource efficient processes (e.g. sustainable agriculture)	Average wages	Green public spaces/forest canopy (open spaces; urban spaces with amenities)
Ability of local government to provide administrative services in transparent and efficient manner*	Value of private investments from outside the region	Locally-produced energy (share that is co-generated or renewable energy)
Entrepreneurship (support to SMEs; youth entrepreneurs)	Value of public investments from outside the region	Waste recycling and waste minimization systems
Knowledge-oriented businesses	Operating surplus of the local government	Air quality
Local government partnership with other local governments, CSOs and/or private sector for improved services	Stability of local government budget	Agricultural land quality
Environmental impact assessments of major public or private projects	Ability of local government to fund renewal of physical capital over time	Fish stocks
Use of environmental impact assessments and integration of disaster risk reduction and climate variability in infrastructure planning;		Forest resources



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