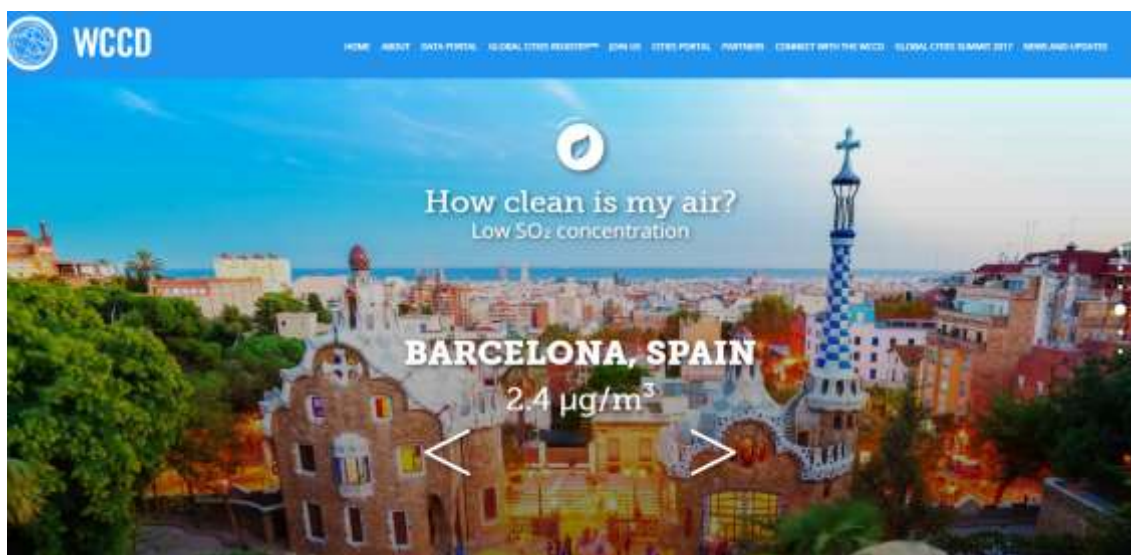


## Uraia Platform Inspiring Practices Catalogue

### The World Council on City Data (WCCD) ISO 37120: City data to promote investment<sup>1</sup>



The World Council on City Data (WCCD) hosts a network of innovative cities committed to improving services and quality of life with open city data and provides a consistent and comprehensive platform for standardized urban metrics. Comparable city data is critical for building smarter, more sustainable, resilient, prosperous and inclusive cities. WCCD is implementing the international standard ISO 37120 Sustainable Development of Communities: Indicators for City Services and Quality of Life. ISO 37120 defines a comprehensive set of 100 standardized indicators that enables any city, of any size, to assess their performance and measure progress over time and also draw comparative lessons from other cities. The WCCD is also developing new indicators on SMART cities that will become part of the new ISO standard on SMART City Indicators. WCCD publishes the list of cities that are certified against ISO 37120 by a team of independent verifiers in an Open City Data Portal<sup>2</sup>, which enables city managers, citizens, industry leaders and researchers, to compare and benchmark cities performance across the 100 indicators in the ISO 37120 standard, allowing over 1 million potential visualisation combinations. Numerous cities from all continents have already been certified by the standard, including: Amman, Amsterdam, Barcelona, Boston, Bogota, Buenos Aires, Dubai, Guadalajara, Haiphong, Helsinki, Johannesburg, London, Los Angeles, Makkah, Makati, Minna, Melbourne, Rotterdam, Shanghai, and Toronto.

The application of ISO 37120 delivers real benefits to cities by enabling them to:

<sup>1</sup> This box was elaborated by Patricia L. McCarney, President & CEO of the WCCD.

<sup>2</sup> [www.dataforcities.org](http://www.dataforcities.org)

- Monitor the efficiency of city service delivery and effectiveness of SMART city solutions, policies and programs;
- Build frameworks for SMART city planning together with sustainability and resilience planning;
- Set data driven targets and data informed priorities for SMART infrastructure investment;
- Monitor and evaluate the impacts of infrastructure investments on the overall performance of a city;
- Undertake local and international benchmarking; and draw on comparative lessons and share experiences with other cities; and
- Leverage funding and demonstrate responsible management practices to attract private investment, both domestic and foreign direct investment, and improve creditworthiness.

### Linkages for investment

The investment related applications of ISO 37120 are of great interest to the growing network of WCCD certified cities and other stakeholders such as national governments. The ISO 37120 indicators inform a number of mechanisms that can facilitate and enable investment in cities:

- **Investment attractiveness.** The ISO 37120 indicators cover a number of key aspects of investment attractiveness – including infrastructure performance and reliability and quality of life indicators which are important for attracting mobile, high-skilled workers. The City of Toronto uses its leading performance on higher education degrees (47,000 per 100,000 inhabitants) as a key point in attracting high-value technology companies to locate and invest in the city.
- **Good governance.** Open data on city performance sends a clear message of openness and accountability from city government. Quality of municipal governance is often a key factor for investors when evaluating the risk associated with local investment, particularly for infrastructure.
- **Leverage funds from national governments.** Investing in urban infrastructure is a key priority for national economic and social development. The Canadian Government for example is currently implementing a \$125 billion dollar, ten-year infrastructure investment program with a focus on cities. The Government of India has made urban development a central part of its policy agenda, and is funding multi-billion-dollar investment in infrastructure through its SMART Cities Mission and AMRUT programs. Cities and national governments are now working with the WCCD to use comparable ISO 37120 certified city data to make the case for investments (e.g. through identifying gaps in infrastructure services) and for tracking and evaluating the economic, social and environmental benefits and impacts of investment.

### Improving city creditworthiness

A further avenue for cities to access finance are local and international capital markets. Municipal bond markets are well-established in some parts of the world, but in many countries these markets are in their infancy and cities need to take substantial action to build sufficient creditworthiness to enter the market. Recent estimates by the World Bank show that less than 20% of the largest 500 cities in developing countries are deemed creditworthy locally (and only 4% in the international context), severely constricting their capacity to finance investments in public infrastructure. The WCCD database includes a range of indicators to inform credit assessment and, more broadly, the perceptions of investors regarding the city:

- **Municipal finances.** The ISO 37120 indicators certified under the WCCD Audit Protocol, include a number of key performance indicators of the health of a municipal government's finances, including: debt service ratio; capital spending as a percentage of total expenditures; own-source revenue as a percentage of total revenues; and tax collected as percentage of taxes billed.
- **Current & future economic performance.** The ISO 37120 indicators include overall measures of the city's current economic performance (e.g. city product per capita; city unemployment rate; youth unemployment rate; number of businesses per 100 000 inhabitants). Combined with the indicators relating to investment attractiveness the WCCD helps to inform perspectives on future economic

prospects for the city and the ability of the municipality to collect net revenues and repay debt obligations.

The WCCD is currently exploring, in collaboration with cities and credit ratings agencies, how ISO 37120 certification can support or enhance creditworthiness for cities worldwide, as well as identifying priority indicators related to creditworthiness that could be included in the forthcoming revision of ISO 37120 in the near future.