

# Benchmarking Performance



A MANUAL ON  
PERFORMANCE MEASUREMENT  
IN URBAN LOCAL BODIES

**ten**



## Preface

That our over-burdened cities are characterized by clutter and chaos is common knowledge. Yet, what is frightening is that the pressure on urban services continues to increase—everyday. Statistics too add a sense of urgency—three infants die every minute in India due to diarrhoea, a waterborne disease caused by dirty drinking water. (As estimated by the World Bank, medical expenditure, caused by poor quality water, may amount to nearly 290 billion rupees annually). About 54% of urban population in India does not have access to sewerage and sanitation services. Proper waste collection services have reached only 72%. Rivers passing through urban areas have become virtual sewers, and groundwater contamination is rampant. Mounds of solid waste lie unattended, and landfills are recklessly managed.

Bursting at their seams, the cities have become an eyesore as the yawning gap between the demand and supply of basic services increases. The degrading state of urban civic services has particularly affected the poor and slum dwellers. The past five decades have particularly witnessed phenomenal growth of urban population in India, with about 7–8 million people being added to it each year. The level of urbanization increased from 17.3% in 1951 to 25.7% in 1991, and to 29% in 2002 (according to the Mid-term Appraisal and Approach Paper, Tenth Five-year Plan).

Though urban basic services are usually provided by local agencies, their organizational structure varies from state to state. The services of municipal bodies cover the most basic human needs—drinking water, sanitation, waste management, street lighting, housing, roads, and health care. The 74th Constitutional Amendment led to the decentralization of responsibilities of urban local bodies, thereby increasing their functional

areas and empowering them. However, these institutions still encounter a number of issues and problems resulting in undesirable levels of service delivery and inefficient utilization of available resources, largely due to the presence of multiple organizations; inadequate resource mobilization; and lack of capability, information, and effective monitoring.

There is, thus, a need for creating a new ‘pressure mechanism’, which highlights the issue and facilitates information sharing on the subject, thereby enabling adoption of better standards and practices. ‘Performance measurement’ could be an effective tool to this end. It implies regular measurement and reporting of the performance of public agency programmes, organizations, or individuals. In the context of urban local bodies, it can be defined as determining the effectiveness and efficiency of a jurisdiction.

Performance measurement is an essential tool for determining the efficiency, efficacy, cost-effectiveness, and timeliness of services being provided by a municipal body. Municipal performance measurement also helps in prioritizing issues and problems faced by the local bodies before the policy-makers.

It is in this context that TERI initiated a pioneering project aimed at developing ‘a city-level environmental performance measurement system’ for evaluating urban services. The project, titled *USERS—Urban Services Environmental Rating System*, was initiated in two pilot cities – New Delhi and Kanpur – with a focus on three areas of services: (1) water supply, (2) sewerage, and (3) solid waste management.

This generalized manual has been prepared as part of the study and targets urban local bodies for the above-mentioned service areas. It discusses the framework for performance measurement and presents a list of indicators for measuring performance. It also attempts at recommending an MIS (management information system) for the local bodies and a road map for operationalizing the performance measurement system.

The concept of performance measurement and benchmarking of the quality of service delivered by an urban local body is new to India. We believe that use of this manual will not only be useful to any local body willing to measure its performance but also for any other organization willing to improve its services.



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